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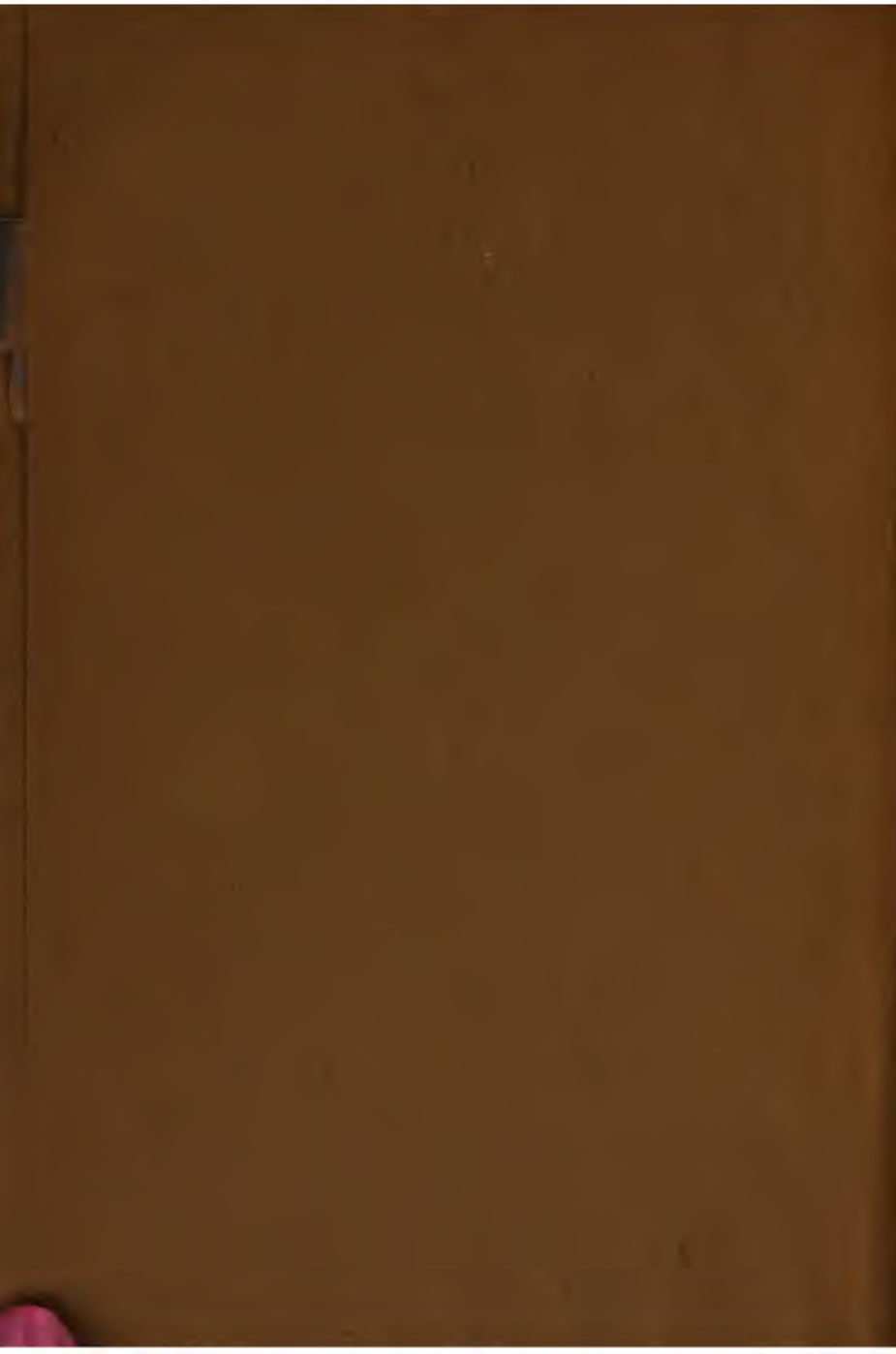
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AN INDUSTRIAL HISTORY  
OF THE  
AMERICAN PEOPLE



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TORONTO

AN INDUSTRIAL HISTORY  
OF THE  
AMERICAN PEOPLE

BY  
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INDIANAPOLIS, INDIANA

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## PREFACE

THE underlying thought of this book is borrowed from one of the greatest thinkers of modern times, who, among many wise sayings, once wrote this piece of advice — "Read not to contradict and confute, nor to believe and take for granted, nor to find talk and discourse, but to weigh and consider." This gives us in a nutshell the task of high school education, to teach our boys and girls in such a manner that they may in time become thoughtful students of men and events.

The author has often been struck by certain shortcomings in our standard high school courses in history. For the prospective college student, especially if he is pursuing the ancient languages, the study of ancient history for one year in the early part of the course may be profitable, but for the great majority of students who do not attend college and whose circumstances drive them early from school into wage-earning occupations, the study of some other form of history would be far more profitable. More valuable to such students than familiarity with Greek and Roman history is a knowledge of the industrial history of their own country, an account of the development and influence of a few typical industries, among which the student must perchance choose one as a means of livelihood and in which he will in any case have direct interest as a citizen and a worker in the industrial field.

Why do we teach American history in the high schools? The time and expense of four years spent in these schools are justified if, at the end of the period, the student is well advanced

on the road toward useful citizenship. He should be able to observe, to think, and to work, and he should, among other things, have a sufficiently good understanding of present-day events to play a respectable part in public as well as in private life. To obtain this sober but not in the least showy training is far more difficult than to perform mental gymnastics that are often little more than feats of memory. The importance of history as one means of securing the desired training is being recognized more and more.

This Industrial History of the American People presupposes the ordinary grammar school course in United States history. Such a preliminary course is almost always political in its nature, and leaves the child with a great deal that he has "learned," but has had no chance to make thoroughly his own by further use. The grammar school course is the foundation on which the high school student builds, and experience has shown that any class of twenty-five children can supply the needed facts in political history. The plan of the book includes thirteen chapters. The first chapter is introductory to the others, each of which takes up a topic and develops it from the beginning of our history to the present time. In certain cases, on account of the extent of the subject, the material is divided at some convenient point, so that there are but nine chief topics treated. The chapters increase in length as the work proceeds, and the method of treatment becomes somewhat more difficult. Thorough work with the first five chapters will prepare the class for the remaining eight.

An important adjunct to this book is the "Teacher's Manual" accompanying it. This contains supplementary matter, suggestions as to methods for the use of notebooks, readings in fiction and books of reference, suggestions for school libraries, supplementary questions, suggestions for discussions and

debates, in short, all the "fine print" that is so necessary, yet is of such a nature that one does not like to put it into a textbook, lest it discourage the child beyond recovery. The *Manual* is suitable for use by any one, *i.e.* it need not be locked up in the teacher's desk, but may be freely used by teacher and student.

The author realizes that in blazing a new trail he has doubtless offended the taste of many careful students. His only apology is the simple statement that this textbook was written for high school students, and from their standpoint. In choice of material, in style, in diction, in sentence and paragraph structure, the sole criterion has been the answer to this question — What material can the class best handle, and in what form can it best be put before them?

Thanks are due to many whose advice has been gratefully accepted. Valuable help has come from many professional friends, especially from my sister, Anna Lewis Moore of the Framingham (Mass.) State Normal School, and from W. B. Davison and E. H. K. McComb of the Indianapolis Public School System. Messrs. D. Appleton & Company, Dodd, Mead & Company, The Burrows Brothers Company, and W. K. Bixby, Esq., of St. Louis, have permitted the use of quotations from copyrighted source material. The Librarian of Harvard College has kindly allowed the reproduction of many rare prints. Especially do I wish to thank Professor Edward Channing of Harvard College for the inspiration of his teaching.

J. R. H. MOORE.

INDIANAPOLIS, INDIANA.

January, 1913.





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# INDUSTRIAL HISTORY OF THE AMERICAN PEOPLE

## CHAPTER I

### INTRODUCTION

IN order to understand the reasons for the discovery of the New World, we must turn back in European history to a wonderful time called the Renaissance, at the end of the Middle Ages. During this period, from the fourteenth century on, through at least two centuries, the minds of men awoke from the slumber of the Dark Ages, and within a very few generations civilization made greater advances in many directions than the previous thousand years had seen. These advances occurred in education, in painting, sculpture, architecture, religion, and in all things that pertain to "learning," but the most important advance came in a changed attitude towards life. Men wanted to know more of the earth itself, and to enjoy it more. Ignorance, energy, and curiosity united to produce the most astonishing results; for example, it was man's very ignorance of real conditions that gave him the courage to make long voyages on unknown waters. Dissatisfaction with the old order of affairs was in the air, and it needed only a little thing to attract the attention of the awakening world.

During the later centuries of the Dark Ages there came out of the little known region of central Asia, a wandering people, a race of soldiers living by plunder and knowing nothing of the civilization of Europe. In the course of their invasion of western Asia and

Turkish  
Interference  
with  
Commerce.



eastern Europe, they blocked up the trade routes across Asia by which the people of Europe had for ages been accustomed to bring in eastern goods. Silk, tea, spices, gold, and jewels had filtered very slowly into Europe, requiring much time for transportation and increasing rapidly in cost. The traffic in luxuries had brought great wealth to certain cities of southern Europe, and it was to be expected that these cities would become less wealthy and powerful as their trade lessened. It was also to be expected that they would try by every means to renew their trade. In the centuries before the Renaissance they would probably have submitted to such a disaster without much protest, but the new spirit of enterprise, working in many places and among many men, produced a widespread desire to find another trade route to the East.

**Marco Polo,**  
**Sir John**  
**Mandeville,**  
**and the**  
**East.**

It might be supposed that little was really known of the far-off eastern lands from which Europe in the fifteenth century found itself cut off, but the people of that day had two good sources of information about the golden East, the published travels of Marco Polo and of Sir John Mandeville. In the thirteenth century a Venetian of noble family had made a long journey eastward, under romantic circumstances, and, after an absence of many years, had returned with so remarkable a story that when he put it in writing, it speedily became the greatest book of its age. This was nearly two centuries before printing was invented in Europe, yet so popular did this book become that, even at a time when only a rich man could own a good-sized volume, a great many copies were made. The *Travels of Marco Polo*, the first great modern story of adventure, marked the beginning of modern times. The book had the field to itself for a very long time, and it is easy to imagine the appeal it made to the minds of those who read it or heard it

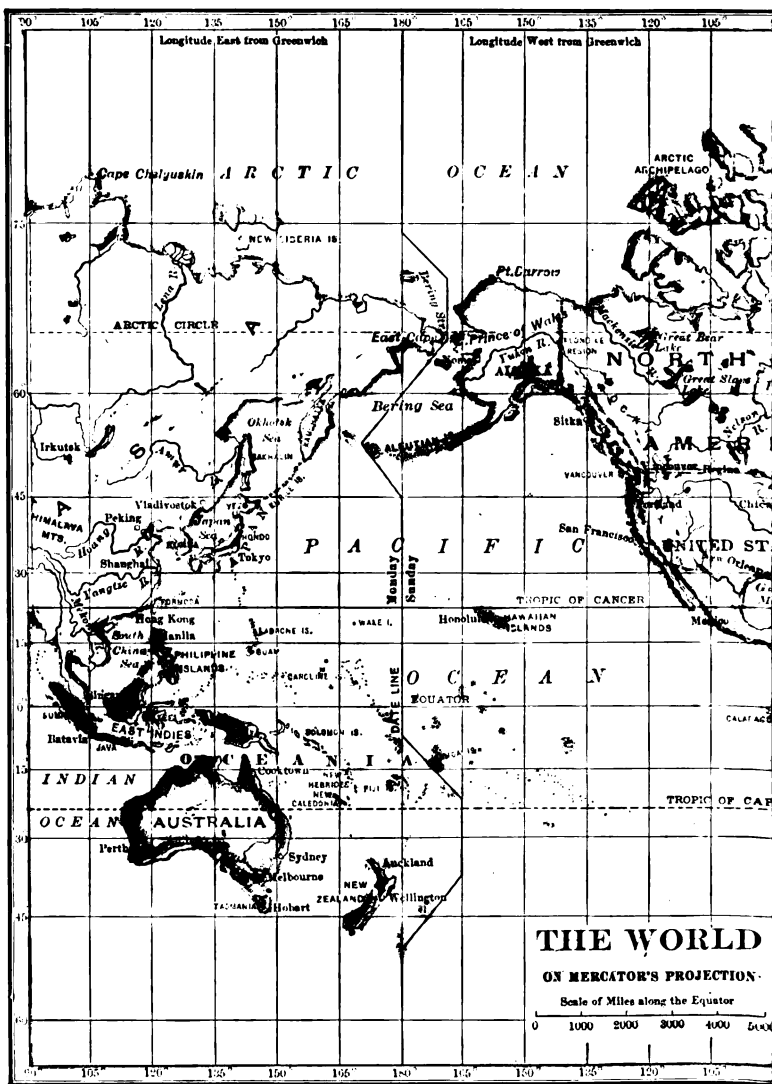
read. Marco Polo had a knack of combining what he had seen with what he had heard, so that many of his romances are very readable. For example: "Zipangu is an island in the eastern ocean, situated at a distance of about 1500 miles from the mainland or coast of Manji. It is of considerable size: its inhabitants have fair complexions, are well made, and are civilized in their manners. Their religion is the worship of idols. They are independent of every foreign power, and governed only by their own kings. They have gold in the greatest abundance, its sources being inexhaustible, but as the king does not allow of its being exported, few merchants visit the country nor is it frequented by much shipping from other parts. To this circumstance we are to attribute the extraordinary richness of the sovereign's palace. The entire roof is covered with a plating of gold, in the same manner as we cover houses, or more properly churches, with lead." In a description of the island of Madagascar he wrote: "The people of the island report that at a certain season of the year an extraordinary kind of bird, which they call a rukh, makes its appearance from the southern region. In form it is said to resemble the eagle, but it is incomparably greater in size, being so large and strong as to seize an elephant with its talons and to lift it into the air. . . . They brought with them (as I have heard) a feather of the rukh, positively affirmed to have measured 90 spans, and the quill part to have been two palms in circumference."

A second book of adventure, very popular in western Europe, was known as *The Travels of Sir John Mandeville*. This was a compilation by an unknown author who seems never to have traveled, but whose imagination helped him to heights of fancy of which Marco Polo never dreamed. His stories of eastern marvels are indeed remarkable; monsters and millionaires vie with one another on his pages in inciting the unwary to adven-

ture, as, for example : " . . . men pass by a kingdom that men clepe Caldhile, that is a full ffaire country. And there groweth a manner of fruit as though it were gourds. And when they be ripe, men cut them a-two, and men find within a little beast, in flesh, in bone and blood, as though it were a little lamb without wool. And men eat both the fruit and the beast. And that is a great marvel. Of that fruit have I eaten, although it were wonderful, but that I know well that God is marvellous in his works. And, natheless, I told them of as great a marvel to them, that is amongst us, and that was of the Bernakes. For I told them that in our country were trees that bear a fruit that become birds flying, and those that fell in the water live, and they that fall on the earth die anon, and they be right good to men's meat. And hereof had they as great marvel, that some of them trowed it were an impossible thing to be." And in another place: "And at the foot of that mount there is a fair well and a great, that hath odour and savour of all spices. And at every hour of the day he changeth his odour and his savour diversely. And whoso drinketh three times fasting of the water of that well he is whole of all manner sickness that he hath. And they that dwell there and drink often of that well they never have sickness; and they seem always young. I have drunken thereof three or four sithes, and yet, methinketh, I fare the better. Some men clepe it the well of youth. For they that often drink thereof seem always young-like, and live without sickness. And men say, that that well cometh out of Paradise, and therefore is it so virtuous." These and many other passages show us that far-distant lands were present in the imaginations of all men, and doubtless these lands were a temptation to many.

One of the chief activities of men during the Middle Ages was warfare, and whenever there was a lull in European wars,









large numbers of soldiers were suddenly thrown on their own resources. Legal rights were less defined than they are now, and the system of hiring soldiers and paying them with the privilege of plunder did not produce honest and steady citizens. So it happened that there were many men of adventurous disposition and of reckless temper who welcomed a chance to visit the wonderful lands of which Marco Polo and Sir John Mandeville wrote, and to plunder the untold wealth of the strange monarchs of the East. The governments of Europe, moreover, were glad to be rid of men of this stamp, although they were also glad to claim the somewhat doubtful credit that might come from the exploits of these undesirable citizens of predatory instincts. Consequently there was always an abundance of human material for any number of expeditions, in spite of the probability that the majority of those who started out would never return.

**Social and  
Religious  
Unrest in  
Europe.**

Another force that was largely responsible for the development of the New World was the religious intolerance of the day. It must be remembered that the last four centuries have seen remarkable advance in the liberality with which men judge each other in respect to their individual opinions. In the fifteenth century toleration was not considered practical, and rulers advocated uniformity of belief as the only safe policy in dealing with the nation's religious life. This identity of religious and political allegiance was so generally admitted that every government thought itself justified in compelling uniformity of creed, and any one who refused to agree to religious doctrines as stated by his government was looked upon as a traitor. Hence religious persecutions occurred in all European countries, and many people preferred to leave home and property rather than suffer the penalties of their so-called crime.



**Hard Times in Europe.** The continent of Europe has, until recent time, been almost continuously the battle ground of the nations. During the centuries that preceded the Renaissance warfare had been man's chief activity. The result was naturally disastrous to the fertility of the soil. The brief periods of peace that should have served to refresh the minds and bodies of men and to direct their thoughts and energies to more profitable enterprises were usually made hideous by a hopeless struggle against famine and plague. Europe was hungry, not with the hunger of a man who occasionally misses a meal, but with the desperate craving of those who never have enough. Vast tracts of land had gone out of cultivation. Thousands of people crowded into the cities, where they suffered from pestilence in the summer and were confronted with starvation in the winter. Wood for heating and cooking purposes had become almost a luxury. Hunger and cold combined to stimulate men to exertion. The philosophers of the fifteenth century might not have stated it so, but it is plain to us that the instinct of self-preservation was not the least element in the movement that led Europe to seek new lands.

**Difficulties of Fifteenth-century Navigation.** Even with this strong stimulus great difficulties stood in the way of the early voyagers, and of these perhaps the greatest was the lack of a serviceable map. There were plenty of maps in existence. There were, for instance, the beautifully colored maps, "Mappæmundi," the work of the scribes who made and illustrated the medieval books. These maps showed the world as flat and somewhat oval in outline; land surfaces covered nearly all the area, while there was a narrow border of water around the edge. As a rule, the East was at the top of the map, indicated by a picture of the Garden of Eden, and Jerusalem, represented by a picture of Solomon's temple, was at the



A FOURTEENTH-CENTURY WORLD MAP.

The top shows the East, as usual, but the pictures have largely given way to names. Holding the map so that the East is at the right, one can see the two little "Pillars of Hercules," and a few places can easily be identified. The Nile, however, flows into the Red Sea.

center. The men who made such maps did not like to leave any vacant spaces, and their imaginations aided them in filling up all the gaps with monsters borrowed from pagan and sacred story. Hence, without being able to read, a man might readily see what was likely to happen to one bold enough to venture to the edge of the earth. But in the fifteenth century the work of a Portuguese prince, Henry the Navigator, did much to discredit the older maps, and very soon afterward men began to try to draw rational maps. In the very year of the first voyage of Columbus, a German, Martin Behaim by name, made a 20-inch globe, and even before this, within the years of preparation for the Columbian voyages, Toscanelli, an Italian philosopher, had drawn a map of the world according to advanced ideas. About the middle of the sixteenth century another famous German, Gerhard Kremer (or Mercator), achieved great fame for himself by his theories of map drawing. However, it was not until the nineteenth century was half gone that any strictly accurate maps were made. So the voyager of the fifteenth and sixteenth centuries had to make his way without any adequate chart, and with a very faulty notion of the workings of the compass.

Another difficulty in the way of the first voyagers to the New World lay in their want of suitable ships. Hitherto men had made but short voyages. The ships were small; rigging and hull alike had been planned for the narrow seas, and for a long time men did not realize that such ships were not suitable for the long voyages and different conditions of over-sea travel. There were large ships in existence, but it was hardly to be expected that any shipowner would risk his best property on so uncertain a project as a voyage of discovery. The name of the *Mayflower*, one of these "large" vessels, is familiar to us, and from its dimensions we may be able to form an estimate of the adequacy

of Columbus's fleet, the largest vessel of which was about half as large as the *Mayflower*. The ship in which the Pilgrims crossed the ocean in the spring of the year 1620 was of one hundred and eighty tons burden. She was about ninety feet long, twenty feet in the beam, drawing perhaps fourteen feet of



THE FLEET OF COLUMBUS.

water. In this small space one hundred and thirty people were expected to live during a long voyage, with all their goods and provisions. The ship in which Sir Humphrey Gilbert made his unfortunate journey to Newfoundland was of only ten tons burden. The largest ship in the fleet with which Raleigh started around the world was of only fifty tons burden.

The hull of these ships was shaped much like a log, and the prow and stern were blunt. As Mr. Dietrich Knickerbocker said of the *Goede Vrouw*, they "made as much lee-way as headway, could get along very nearly as fast with the wind ahead as when

it was a-poop," and were "particularly great in a calm." The methods of carrying on naval warfare at that time made it necessary to build the prow and stern high, so that soldiers might be able to shoot down or to jump down when boarding the enemy's ships. These castles, as they were called, had two great disadvantages: first, they were likely to catch the wind, and a sudden squall might overturn the ship; second, in order to balance the weight of the upper works, and to give the vessel the required buoyancy, it was necessary to build the hull



THE "MAYFLOWER."

very stout and heavy. It was customary, therefore, to construct the hull in very sturdy style, and to build the upper works just strong enough to hold together. This gave height without overbalancing weight. But unfortunately it added greatly, to the hardships of the sailors and passengers who, because the hull was so occupied with the heavy cargo, were obliged to live in the upper works. These were so lightly built that often the seams opened during a storm. In the account that Governor Bradford wrote of the voyage of the *Mayflower* he says: "After they had injoyed faire winds and weather

for a season, they were incountred many times with cross winds, and mette with many feirce stormes, with which ye shipe was



A NINETEENTH-CENTURY WHALING BARK.

Compare the *Mayflower* of the seventeenth century and the whaler of the nineteenth. Both are similarly rigged, i.e. two masts square rigged, the mizzen schooner rigged in the case of the whaler, lateen rigged in the *Mayflower*. Notice the great differences in the hull.

shroudly shaken, and her upper works made very leakie;" after the storm, "as for ye decks & uper workes they would

calke them as well as they could, and though with ye workeing of ye ship they could not long keepe stanch, yet ther would otherwise be no great danger, if they did not overpress her with sails."

But even worse than the wet, cold, and crowding was the question of food and drink. With a small hull and a relatively large crew the space devoted to provisions must be as small as possible, and when we consider the length of the most famous voyages, it is little wonder that so large a proportion of the crew died on the way. Of the sixty men who started around the world with Magellan only eighteen came back to Spain, and of this number "the majority were sick." Bread, salt meat, and beer formed the staples of diet. Water was provided for cooking purposes, but was to be used for drinking only as a last resort, when the beer gave out. The food was not of the best quality at the start, and with the foul condition of the hold, one may imagine its condition after a long voyage. Shakespeare compared the mind of a clown to "a remainder biscuit after a long voyage." A much-dreaded disease called scurvy resulted from the use of too much salt food, and we find that overindulgence in fruits and other products of strange countries was a common cause of death among the early voyagers. Many of the recorded voyages lasted three years or more, and during this period the ship had to be cleaned, inside and out, many times, and a new lot of provisions secured. Hard was the lot of the seamen when fresh supplies of food could not be found, or when no suitable place could be found in which to "careen" the ship. It was after such a time that one of the old buccaneers wrote: "On Sunday, June 12th, the work of careening our ship going on in due order, we came to cleanse our hold, and here in a sudden, both myself and several others were struck totally blind with the filth and nastiness of the said place."

Of another time the same old buccaneer wrote: "In the afternoon of this day died one of our men, whose name was William Cammock. His disease was occasioned by a surfeit gained by too much drinking on shore at La Serena; which produced in him a calenture, or malignant fever and a hiccough. Thus in the evening we buried him in the sea, according to the usual custom of mariners, giving him three French volleys for his funeral."

When we consider the difficulties under which **Summary.** voyages were made in the fifteenth century, the lack of geographical knowledge and of nautical equipment, the discomforts occasioned by the long voyages, the small ships, the bad food, and the unsanitary conditions, we marvel that so many men were willing to risk their lives in the exploration of the unknown West. But we must consider these early explorers as fired with the reckless courage that always characterizes pioneers, and we must take into consideration the various forces so active in the fifteenth century in leading men abroad. The Turkish interference with trade routes to the East gave a commercial motive; hard times and religious persecution at home gave a social and industrial motive; and the alluring writings of imaginative travelers gave a romantic color to the project that fully counterbalanced any anticipation of evil that might have been present in the minds of the explorers.



## CHAPTER II

### THE FISHERIES

#### **Early Voy- ages to the Banks.**

WE know that during the Middle Ages the people of western Europe were in a chronic state of hunger; their food was largely vegetable with very little animal food. Apparently the use of fish was not general, but was growing in favor in the cities and near the sea as a cheap, abundant, and wholesome food. For some reason that we do not know, early in the fifteenth century the fishermen of western Europe began to push out westward to find fish. They had gone to Iceland at least as early as 1300, and a more southerly voyage may well have been the result of a storm. It is possible that the demand for fish became so great as to warrant the long voyage, but it is more probable that for some reason little understood the food fish left the western coast of Europe. Such migrations have been noticed in recent years. So the European fishermen, English, French, and perhaps others, pushed across the ocean until they came to a region in the apparently boundless waters where they found plenty of fish. We call these regions "the banks." They are shallow places in the ocean, submarine table-lands, where the sea floor rises to within four hundred feet of the surface, and where grow certain sea plants that are the favorite food of larger forms of sea life. These furnish food for the large and small fishes; sometimes both animals and plants are eaten by the food fish. On these banks, then, the fifteenth-century fishermen could fill the holds of their ships with the food so much needed in Europe.

With a full cargo the fishing boats would immediately return to Europe, not only because the cargo was perishable, but because the westward voyage was made against the prevailing winds and currents.

Why they  
went no  
farther  
westward.

They certainly would go no farther west than necessary. Every sailor knew what would happen if he went too far to the West. It was reported that the waters of the ocean grew thick and slimy, that horrible monsters lived thereon, and that ships and sailors going into such regions would meet a terrible fate. Indeed, they had only to look at the older maps to see pictures of the very monsters that would appear in the outer regions of the world. Here are three very good reasons, then, why for probably half a century the fishermen of the banks made no endeavor to find out what lay to the west of their fishing grounds.

Another odd thing must be accounted for; that is, why for so long a time little seems to have been known of the far westward voyages of the fishermen.

Little known  
of Early  
Voyages.

Perhaps they themselves did not know that they had done anything remarkable, and, being for the most part uneducated men, they may have had neither desire nor means to obtain glory from their voyages. Another explanation may be found in the loose method of collecting import taxes or port dues during the fifteenth and sixteenth centuries, and even later. The unlucky mariner was practically at the mercy of the official collector, who might tax him repeatedly without fear of being punished for dishonesty. Food, since it was always and everywhere in demand, was an easy thing to smuggle, and in days when unjust and dishonestly administered laws made a smuggler of almost every man, self-interest would cause the coast people to keep very quiet about any cargoes of food that might be landed and sold without paying the king's dues. A further inducement to captains and crews to hold their tongues may

have been a selfish desire to keep to themselves the knowledge of the source of their wealth.

**Land  
needed  
near the  
Banks.**

In these early days of the fishing industry, when all the boats in the trade had to make a voyage of at least two thousand miles, one of the greatest obstacles to success was the fact that fish do not keep long, and so must be "cured" in preparation for the market. Heretofore when the fish had been caught within a few days' distance from the market, a simple process had been enough to preserve them, but with a voyage of at least a month from the banks to Europe a careful cleaning and salting was necessary. If the weather was bad and the voyage prolonged, even then the fish might not keep. Therefore it may be said that within a century after Europeans began to fish in American waters, they saw the need of a better curing process before transportation. And then was introduced a problem that has made a great deal of trouble from 1620 down to the present day, — the relation of the fishermen to the land nearest the fishing grounds. In the days when most men did not look upon smuggling as unlawful, it may have been possible to dispose of large quantities of fish secretly, but in course of time, as the knowledge of the fisheries increased and the number of vessels engaging in this enterprise became greater, it must have been recognized as a fact that fish was to become one of the mainstays of the European food supply. Then it became no longer necessary or possible to hide the facts concerning the wealth to be drawn from the gray sea.

**How the  
English  
became  
interested  
in the  
Fisheries.**

We do not know positively what reasons actuated the voyage of John Cabot, who sailed from England in 1497 and discovered the northeastern shores of North America, but by the year 1500 the fisheries must have become so important as to attract much

attention. A sixteenth-century writer who had known Sebastian Cabot, and possibly the elder Cabot also, wrote: "Sebastian Cabot him selfe, named those landes Baccallaos, bycause that in the seas therabout he founde so great multitudes of certayne bigge fysshes much lyke unto tunies (which the inhabitants



UNLOADING COD AT GLOUCESTER, MASSACHUSETTS.

A schooner of the type of the *We're Here*; a man in the hold is pitching the salt cod up to the deck, another man pitches them to a little scaffolding, from which they are tossed up to the wharf into the great pan of the scales. An ordinary hay fork is used.

caule Baccallaos) that they sumtymes stayed his shyppes"! It is certain that though the banks supplied fish liberally, English fishermen were at this disadvantage, that they must carry a perishable freight for an uncertain length of time, and then compete with men at work in European waters who could sell their product "green," that is, without curing. As shown be-

fore, to cure the fish thoroughly for the European market, dry land was needed as near the fishing grounds as possible. The process of curing was simple enough; the fish were cleaned when caught, rubbed with salt, and stacked in the holds of the fishing vessels, just as is done now. They were then taken to the drying grounds, where they were spread on rough benches called flakes. Here the sun and the wind dried out the moisture, and the salt "struck in." The result was a product that could be transported safely and that would keep many months.

**The Value  
of the Dry-  
ing Grounds.**

It is easy to see that the nation that possessed land suitable for drying the fish would have a great advantage over others. It would not only have a better food supply for its own people, but it would have also a decided commercial advantage. It would control a surplus and might sell to its neighbors or withhold from them, as it pleased. But the drying grounds were far from Europe, and law was not enforced so far from home. National and commercial jealousy urged men on to raid each other's property; hence actual ownership of the land and protection of the property must be attained in order to secure any real leadership in the industry. Here we have, briefly, the early history of the deep-sea fisheries, as an international bone of contention.

**European  
Nations and  
the  
Fisheries.**

The time when men first realized the importance of land ownership may be placed at about the year 1600. The year 1500 saw the deep-sea fisheries in full operation. Ships from England, France, Spain, and Portugal were on the banks, besides a few from other less powerful countries. During the sixteenth century the condition of the industry varied with the state of affairs in Europe, being sometimes very prosperous, and, at times when war was general on land or sea, very poor. For example, in 1550, just as the great wars of Charles V were closing, and when the demand for

food was naturally very great, the Portuguese alone had at least four hundred fishing vessels on the banks. But home rivalries were unfortunately carried across the seas, and the fishermen often captured the ships of hostile nations. Such a disaster overtook the Spanish fleet soon after 1588, the year in which England defeated the "Invincible Armada." Many of England's ships and many of her sailors, to whom the credit of that great victory was due, were from the fishing fleet, which had been forbidden to set out that year. It was very natural that when they did return to their work on the banks, they should finish the warfare so successfully begun in the English Channel. In this way one of England's great competitors was taken off the field, leaving only France as a rival in the over-sea fishing industry.

Meantime the attention of Englishmen was being attracted to the New World in odd ways. The fishing fleet near Newfoundland was a strange collection of ships of all nations, and it was natural that in that day of long voyages and meager provisions, the crews should exchange food and various necessities with one another. From this small beginning there arose a large trade in all sorts of goods, a trade that was in a sense illegal because it existed for the purpose of avoiding the payment of the heavy customs and tolls exacted in those days by government customs officials. The trade between fishermen on the banks finally reached such proportions that the governments of Europe felt the loss and began to take steps to repress this illegal traffic. In this way the governments of France and England acknowledged the importance of the Newfoundland trade and called the attention of the Old World to the possibilities of the New. The great merchant powers of the sixteenth century dreaded the rise of a commercial power in the New World, and

**How the  
Govern-  
ments of  
Europe took  
Notice of  
the Industry.**

opposed the western development of trade with all their influence, because they saw in it something that they could not control and something that would rob them of their control over commerce. In a great readjustment of commercial forces they saw only the ruin of their own trade. In this way also public attention was drawn to America.

**The Great  
Profits of  
the  
Fisheries.**

By the year 1600 England and France owned most of the ships on the banks; of the whole fleet, about two thirds were English, while most of the remainder were French. Some of the English ships were very small, thirty or forty tons; others were as large as three hundred tons, but the majority were of about one hundred tons burden. One old captain who had made more than forty voyages from England to the banks reported that his eighty-ton ship had brought him in a profit every year amounting to a little over \$25,000 in our money. By 1610 it is said that England had an income of nearly ten millions of dollars derived from the sale of surplus fish to other countries. It seemed that, with the aid of plenty of advertising, there would be no trouble in making the banks a valuable part of England's resources, but the rivalry with France necessitated a further step to secure England's claim to leadership in that part of the ocean.

**How Eng-  
land made  
her Claim  
Secure.**

As early as 1578 Raleigh had taken advantage of royal permission to attempt the settlement of the coast of North America, and for a quarter of a century thereafter there had been other random attempts of the same sort. Experience showed that such schemes directed by individuals were not effective; more capital and more people were required than any one person could command. Then the "merchants adventurers" or trading companies took the matter in hand, and eventually made settlements along the coast from Maine to Virginia. Two things

should be remembered in this connection: that we Americans owe much of our local form of government to these commercial corporations, and that the persons who settled here were under the necessity of making some financial return to those who had advanced the money needed for the establishment of the colony. This latter consideration was especially strong in New England, where the people were lucky enough not only to have agricultural advantages, but to be so near the banks that they were able to realize great profits from the fisheries. We know that this latter advantage was in the mind of John Winthrop, first governor of the colony, for although he was anxious to found "a peculiar church" he was wise enough in his appeals to the more worldly wise to make use of the fisheries argument. The French also made settlements, but with this difference, that commercial and economic troubles followed them from Old France, and those in authority found it more profitable to follow the fur trade than the fisheries. This is the reason why the New England colonies shared largely in the fisheries, while the French traffic was still carried on from Old France.

There were many reasons why the New England colonies became absorbed in the fisheries. They were much nearer the banks than were the people of Old England. There was a rapidly increasing demand for fish in America and Europe. New England furnished an abundance of shipbuilding materials, and the consequent supply of ships gave the colonist an advantage over his English cousin. For many generations the population kept near the shore, and this tended to give people a familiarity with maritime affairs. It was possible for the colonist to combine fishing with other work, such as farming, lumbering, shipbuilding, or coopering. The fisheries furnished an inexhaustible source of wealth. Colonial records show that during the century

**New Eng-  
land a  
Fishing  
Community.**



beginning with 1650 the prosperity of the northern settlements was closely connected with deep-sea fishing. The colonies had not progressed far enough to do more than market the raw materials that they produced. The time when they would become a manufacturing community was still far in the future. There was trouble enough when the mother country tried to enforce her wish that the colonies should remain producers of raw materials, while the colonies themselves wished to become manufacturers. For the present, however, we must find out how the New Englanders disposed of their product.

**Three Grades of Fish.** By the year 1750 the New England fishermen had learned to divide their salted fish into three classes. The first class comprised the largest and fattest fish; these were consumed locally, probably because owing to the presence of so much fat, they were the most difficult to cure thoroughly and because, in those days, fish were always sold whole. This class contained the fish too large to be handled economically. The second class comprised those most easily marketed; nearly all of this class went to England, where some were consumed, while the rest were reexported to the continent. The third class, amounting to nearly one half the whole product, included the small, bony fish; those that were too salt; those tainted, owing to unsuccessful salting; those broken or otherwise damaged in handling; and the varieties not esteemed eatable by the people of New England. It is this third class that is of importance; and it is interesting to note the manner in which the thrifty people of New England made it a source of income.

**The Food Question in the West Indies.**

A most unlikely use for inferior salt fish seems, at first thought, to be as food for slaves in the West India islands. When we consider the products of the torrid zone, it is apparent that the great staple food-

stuffs of the world are the products of the temperate zone. Slave labor, as a rule, is successful in only one industry in a given region, and since the slave owners of the West Indies found the production of sugar more profitable than any other occupation they must import food supplies for their slaves. Where could they get the most food for the least money? Slaves did not last long in the West Indies, not more than six or seven years at the best, and it did not pay to spend too much in supplying them with food. Experience showed that New England salt fish of inferior grade was cheap, and sufficiently nourishing to answer their purposes, although it was of so low a grade as to be almost a by-product of the fishing industry. So thousands of tons of salt fish of the third class went every year to feed the slaves on the sugar plantations of the West Indies.

Now it happened that in sugar making in the West Indies there was produced a very large quantity of a certain by-product known as molasses. **Another Useful By-product.** This the planters could not put to any use, yet it would be of great financial advantage to them if they could find a market for it, even at a low price. Indeed, the planters said that if they could get sixpence a gallon, the molasses would pay the whole cost of raising the crop of cane, and the price of the sugar would be clear gain. This was the situation: New England and the West Indies each had a by-product to dispose of; the West Indies needed the fish, New England was willing to take the molasses if any use could be made of it. Hence sprung up the New England rum trade, from the effects of which our nation has suffered more than from any other one source.

Judged by the cash return of the trade the manufacture of rum was remarkably profitable. **The Rum Trade.** A quantity of molasses made an equal quantity of rum, and a gallon of rum costing little more than sixpence to produce was worth 1000 per

cent more in Africa, where almost all the New England rum was sent. Moreover the cask of rum could be left on the deck, in the blazing rays of the sun. This would "raise the proof," or make the rum more fiery in its effects, and a watering process, whereby the rum was increased by a third of its bulk, could be carried out without detection. Of the articles of trade on the "Guinea coast" slaves made up the largest part. In a day when few people saw anything wrong in slavery, these circumstances seemed to the New England trader providential. So he cheerfully went on selling his fish to the West Indies for molasses, distilled the molasses into rum, traded this in Africa for gold dust or slaves, and sold the slaves on this side of the water, perfectly ignorant of the fact that he was saddling his country with an institution that was to bring about, among other evils, the most terrible war that the United States has ever passed through.

**Other  
Forms of  
Island  
Trade.**

Not only fish, but flour, meal, and grains of various sorts were wanted in the islands, and by 1750 the continental colonies were engaged in a thriving trade with the French, Spanish, Dutch, and Danish West Indies, as well as with the English islands. This occurred in spite of the fact that the English navigation laws forbade this "alien trade," and in spite of much publicity given by many pamphlets. It is interesting to note in passing that the Spanish "pieces-of-eight" that drifted into the colonies as a result of the trade with the Spanish islands were considered currency there, and later they suggested to Thomas Jefferson his ideas for the coinage of the United States. As long as England was at peace with all the world, she paid little attention to this illegal commerce, aside from passing some laws that were never enforced. But when in 1756 the great Seven Years' War began, this traffic in food with the alien colonies took on a very

THE  
GROANS of the  
PLANTATIONS:

OR  
A True ACCOUNT  
OF THEIR

*Grievous and Extreme Sufferings*

By the *Heavy*

IMPOSITIONS

UPON

SUGARS,

And other HARDSHIPS.

*Relating more particularly to the*

ISLAND of BARBADOS.

LONDON,

Printed by *M. Clark* in the Year MDCLXXXIX.

COLONIAL TAXATION EIGHTY YEARS BEFORE THE REVOLUTION.

Although the sugar islands volunteered to pay the tax in the first place, they quickly tired of their bargain and tried to escape from it.

A  
DISCOURSE  
OF THE

Duties on Merchandize,

More Particularly of that on

SUGARS,

Occasionally Offer'd,

In ANSWER to a PAMPHLET,

INTITULED,

The GROANS of the PLANTATIONS, &c.

EXPOSING

The Weakness of the said Pamphlet, and plainly Demonstrating,  
That the Taking off the Imposition on Sugars would not be  
One Farthing Advantage to the Plantations, and yet take  
away Yearly a great Sum from Their Necessities present  
Revenue.

ALSO,

Shewing now the *last* Imposition on Sugars did truly meet that  
Trade, and how the *same* might yet be Advanc'd, to the greater  
Benefit both of this Kingdom and the Plantations. Also, How  
the *same* Regulations might be made, for the better Accommo-  
dation of the Duties on Merchandize, both to the Advantage of  
Trade and the Revenue.

By a *Merchant*.

LONDON, Printed in the Year, 1695.

different appearance. What had been simply illegal in time of peace became treason in time of war.

**The Seven  
Years' War  
and Pitt.**

At the beginning of this great war affairs in England passed into the control of William Pitt, one of the greatest statesmen England has ever had. The king of England, George II, asked only to be let alone and not to be troubled with business. This gave Mr. Pitt a chance he could not otherwise have had. With a free hand he made great plans for the transformation of the England of his day into a world empire such as had never existed on the earth, greater even than had been the Roman Empire of olden days. He played very coolly, as a chess player makes his moves, using the nations of Europe for chessmen as it suited his purpose. He believed that of all of the world North America was likely to prove the most valuable. But France occupied the great central part of the continent, and in order to add all of North America to his British Empire it was necessary to get rid of France. This he did in an ingenious way. He found that between Frederick the Great of Prussia and Maria Teresa of Austria there was a quarrel of long standing. They had already fought one war and would doubtless be glad to fight another if they had the money. Now Austria and France were closely allied, and Pitt's idea was to give Frederick money with which to carry on war against Austria. This would, in turn, oblige France to give her aid to Austria. What England was very well able to do, France could not afford, for generations of misgovernment had so weakened her that in order to get men and money to aid Austria, France would have to weaken the defense of her colonial possessions. This would make it possible for England to get possession of the great French colonies, and the addition of these new lands to her colonies on the coast would give England almost entire control of the commerce of the continent.

Many obstacles hindered Mr. Pitt from carrying out this great plan, the most aggravating of them being the perverse way in which the American colonists persisted in selling to the agents of the French government the foodstuffs that should have gone to England.

The prolonging of the war was fatal to the power and plans of Pitt, for in 1760 George II died, and was succeeded by his grandson, George III. This new king was young, ambitious for his country, honest and conscientious in purpose, but one of the most terribly mistaken men who have ever occupied a throne. When the war ended in 1763 and peace was made, the men who made the treaty did their best to thwart the purposes of Mr. Pitt and to discredit his plans. George III did not want any ministry, however good, and Pitt's enemies were able to drive him from power. So poor Mr. Pitt, broken in health and embittered in spirit, had to watch the ruin of his great plans for his country. If he had known that a little more than a century later England would have realized her world empire, he might have been better pleased.

It must not be forgotten that England had two sets of American colonies, the island colonies and those on the mainland, each having its separate history, though they frequently came in touch with each other. In 1760 the island colonies had, for nearly a century, been bearing royal taxation, levied at their own suggestion, and had helped in other ways to bear the burden of expense under which England was laboring. The continental colonies had escaped up to that time the burden of direct taxation. The reason for this may possibly have been that the great Englishman, who planned England's taxation scheme in the decade beginning in 1660, gloried in the fact that he was a New Englander by training and was the second graduate

The Fall  
of Pitt.

Taxation  
and the  
American  
Colonies.

of "Harvard College at Cambridge in New England." Just a century after Sir George Downing's time came the series of taxation laws that were the immediate cause of the Revolutionary War. So we may say that if the colonists had not called attention to themselves in a particularly unfortunate way, they might have escaped the troubles of the following years.

**The Part  
of the  
Fishermen  
in the  
Revolution.**

The war on the sea greatly lessened the opportunities of the American fishermen, and we find them engaged in the most romantic exploits in their efforts to injure England's power. Indeed, the Continental navy during this war accomplished little compared to the havoc wrought on English commerce by the American privateers. In October, 1777, a witness before Parliament asserted that up to that time the American ships had captured more than a thousand British vessels, doing more than thirty million dollars' worth of damage to English merchants.

And not only on the high seas were the fishermen active in defense of American liberty. Colonel Glover and his fishermen saved the day at three important points: Brooklyn, Newport, and the Delaware river. One of the most astonishing feats in all history, the crossing of the Delaware on December 26, 1776, was made possible by Colonel Glover and his Massachusetts fishermen. Of the battle of Trenton the historian Bancroft says: "Until that hour the life of the United States flickered like a dying flame. 'But the Lord of Hosts heard the cries of the distressed, and sent an angel for their deliverance,' wrote the præses of the Pennsylvania Lutherans. 'All our hopes,' said Lord George Germain, 'were blasted by the unhappy affair at Trenton.' That victory turned the shadow of death into morning." By the end of the war one third of the children of

Marblehead were orphans, and one third of the able-bodied men of Gloucester were dead.

During the Revolutionary War England had made every possible attempt to ruin the American fisheries, not only because of the natural desire to injure the enemy, but because of the belief that England would receive vast sums from the sale of fish if she could only control the fishing rights. England was poor, and needed the gold and silver that would result from the sale of such a necessary commodity. The men appointed by the Continental Congress to represent it in the making of the treaty of 1783 had every reason to expect great difficulty in obtaining recognition of the American rights in the fisheries, for there were many very delicate questions of international politics to discuss and settle. But at the end of the war the policy of the British government was controlled by a group of men who had become disgusted with the colonial idea, and they wished only to be rid of the whole matter. The result was that the treaty of 1783 gave the people of the United States almost as full fishing rights as they could possibly have hoped to obtain.

**Treaty  
Rights to  
the  
Fisheries.**

From 1792, for more than half a century, Congress encouraged the fishermen by a tonnage bounty. Concerning the wisdom of this action there is much difference of opinion. It is true that before the bounty was paid and after it was stopped the industry was not prosperous, but this does not prove that the prosperity may not have been due to something besides the bounty. It should be remembered that the profits of the industry to the fishermen were never large. The rules in effect along the North Atlantic coast gave each man a share in the ship's profits, and during the first half of the nineteenth century the average share amounted to seventeen dollars per month, not including the bounty. It

**The  
Fisheries  
and the War  
of 1812.**



was the adventurous life that fascinated the men; the "battle of life" was no figure of speech to those who engaged in an occupation whose death roll was greater than that of an army. So when the War of 1812 put a damper on the fisheries, the men eagerly stepped from the fishing schooner to the privateer, and again the amount of damage wrought to British commerce raised a storm of protest among English merchants. The end of the war found the English government set on the extinction of the American fisheries. On the American side John Quincy Adams fought as bravely to save the industry as his father had done in 1783, but in 1815 the government of England was dominated by an arrogant spirit of hostility that would accept nothing but the complete surrender of American claims to a share in the Newfoundland fisheries. Under such conditions only a deadlock was possible. The treaty of Ghent was silent on the subject, and there followed on the banks a short period of armed opposition on both sides. So serious did the friction become that, through the efforts of Mr. Adams, the English government in 1818 agreed to discuss this question, along with other disputed matters. The famous "convention of 1818" followed, a treaty that resulted in more friction between the United States and England than any other ever made between the two countries.

**How the Convention turned Out.** In this treaty Great Britain delivered what she considered a death blow to the Yankee industry, for the generous agreement of 1783 was entirely swept aside, the fewest possible privileges were given the Americans, and even these were surrounded with vexatious conditions. The immediate effect of the practical exclusion of Americans from British waters was that they were driven to seek other fields for their adventurous occupation. They found this field near at home, on the bank known as "Georges," a place

always thought too dangerous for the little fishing schooners to frequent. Now, driven by the spur of necessity, the men of Marblehead and Gloucester put to sea and found to their amazement that not only was the field practicable, but, better than that, the fish were larger and more abundant than on the in-shore fishing grounds. Then until 1850 there followed a period of activity in the American fisheries and an accompanying depression in the English or Newfoundland fishery. It was only natural that the British naval officers should try to cause as much trouble for the Americans as the convention of 1818 gave them opportunity to make. Our fishing vessels were seized for alleged violation of the terms of the agreement, and more than once the excitement over a seizure was made the pretext for rumors of war by some of the hotheads on either side. Yet in spite of bad conditions and bad treatment, by 1862, the banner year, New England ships with a burden of nearly 200,000 tons were engaged in the deep-sea fisheries.

Again the country called on its fishermen for service in war, just as it had done in 1775 and in 1812, and again the navy recruited thousands of men for its service. The demands of war, together with the fear of Confederate privateers, diminished the fishing fleet, so that by 1866 the deep-sea fleet was less than half the size that it had been five years before. Of the 50,000 sailors who enlisted in the Union navy during the war, nearly one half came from the New England coast. Since the Civil War the vexatious story of the first half of the century has been substantially repeated; treaties and agreements have been made and have been so violated in spirit that the question of ownership and control has seemed to depart farther and farther from a peaceful settlement. Political events in the European world have, however, convinced the government of Great Britain that the United States is the great natural ally

of the English, and that the friendship of a great people is worth paying for in friendly offices. Hence when our one hundred days' war with Spain again proved the value of the fisheries in war as well as in peace, and when, soon after, the international court of arbitration at The Hague offered an opportunity for a peaceful settlement of the disputed question, England very sensibly agreed to what we will call the Compromise of 1910. A further agreement, signed July 12, 1912, brings us to what we hope will be the final settlement of the vexed question of the northeast fisheries.

**Conclusion.** In the course of this discussion of the growth of the fisheries in the United States, we have found that the industry in its beginnings was probably due to the enterprise of European fishermen, who, searching beyond the banks for drying grounds, found late in the fifteenth century a land of great promise. The northeast coast of North America served first as a drying ground for fish, and later as the headquarters of a flourishing trade with Europe and with European colonies in the New World. Throughout the course of our history, moreover, in spite of the havoc wrought in the fishing trade by our various wars and in spite of continued and vexatious legal opposition from jealous nations, the fisheries off the banks of Newfoundland have proved a source of great wealth to large numbers of our citizens.

**The  
Settlers  
from  
Europe.**

Having found food and a home in the New World, the settlers from Europe needed next to find some industry suited to the conditions of the country that would bring in the ready money they needed to pay their debts and to buy the comforts of the old country. We must next find out what this industry was, and what effect it had on the life story of our people.

## CHAPTER III

### LUMBER

IN the last chapter we saw how greatly the history of the country was influenced by the fact that even before the colonists reached the coast, they found a food product that was destined to give prosperity to the northern section of the land for more than two and a half centuries. So thoroughly did the colonists recognize the importance of the fishing industry that the legislature of Massachusetts hung in the hall of representatives of their state capitol a wooden representation of a codfish; moreover, they hung it where the eyes of the Speaker could always see it, so that he might keep in mind the most important interest of the people of the community. As soon as the first European colonists were settled on shore, it was necessary for them to send to Europe something that could be sold for cash. The reason for this we shall look into later, but for the present it is enough to say that the people of New England, the Middle Colonies, and the Southern Colonies must find some commodity that was abundant, accessible, easily obtained, easy to transport, and for which there was a great and steady demand in Europe. This article of commerce was found by all the colonies in the great forests that stretched along the Atlantic coast.

**Something  
more than  
Food  
Needed.**

It is a mistake to think of the present continental area of the United States as entirely covered with forests in the years of the first settlements. There were immense areas west of the Mississippi

**Forests of  
the United  
States in the  
Year 1600.**

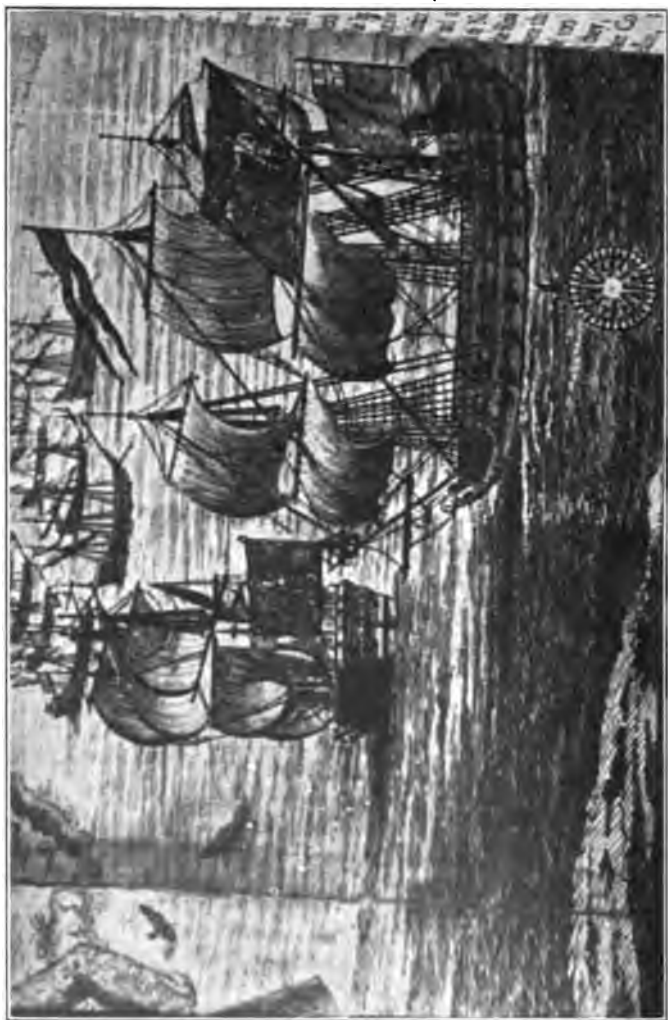
that were entirely free from forest growth, and there were localities elsewhere in river and mountain valleys where fire or flood had swept off the trees. Along the coast there were many places where, for various reasons, the forests had disappeared, river meadows and spots where the Indians had burned off the ground to clear the way for the very meager agriculture in which they engaged. But, for more than a century, the settlements clung to the watercourses, fresh or salt, and it is safe to say that few places so situated were very far from merchantable timber. The river supplied all the purposes of a highway; it could carry a heavy or a light load; it was a road that cost nothing to build, and for many years, at least, it cost nothing to keep in repair. From north to south the situation was the same. White oak and other hard woods, white pine, yellow pine, and live oak, all offered the colonist a fine harvest to be had for the gathering, a harvest for which Europe had a steady and heavy demand.

**The Scarcity of Fuel in Europe.** Western Europe had originally been a well-wooded country, but the changing circumstances of war and peace during centuries of civilization had worked havoc with the wood supply. In wasteful America, where wood has been abundant for so long, we do not realize what it means to save every smallest piece of wood for use. By the beginning of the seventeenth century firewood had become a luxury in many parts of western Europe, especially in the cities, and at the approach of winter the price of wood placed it beyond the reach of all but the rich. Every winter the larger cities suffered a wood famine as well as a food famine, so that to the horrors of hunger was added the discomfort of the raw, damp winter weather of the western borders of Europe. It must be remembered that it is easier for the body to endure a temperature of thirty degrees below zero in a dry climate than

thirty degrees above in the chilly dampness of the winds off the sea. Add to this the fact that on account of hunger, disease, and ignorance of health conditions most of the population were unfit to withstand the weather, and we see why the New World, with "firing" everywhere, was so attractive to the poor.

Not only had western Europe wasted her forests at the expense of the home life of her people, but the price of building materials for use on land and sea had gone up to what seemed to the men of that day a very high price. Especially was this true in England, where the great forests of the days of Robin Hood had dwindled to the point where they could hardly be called forests any longer. Since the days of Good Queen Bess, the especial use of England's forests had been in building the royal navy as well as in the construction of the merchant vessels that made the commerce of Great Britain the boast of the nation. By the middle of the seventeenth century good ship timber had become hard to find and was consequently very expensive in England. One of the most interesting men of that century was John Evelyn, an English gentleman who had traveled much and thought deeply. Mr. Evelyn was so impressed with what he called a serious situation that he spent much time in trying to remedy the loss of England's forests. From his standpoint the fact that England was an island was at once a defense and a danger; certainly it made it necessary that England should have a navy in case she wished to wage a foreign war, but it made a navy an absolute essential in case any foreign nation wished to wage war on England. A navy England must have, for offense or defense, and the English materials for its making were almost gone. Lack of a navy made little difference in time of peace, but Anglo-Saxons have always had a way of going to war first and getting ready for it afterwards. The time when materials for war-

England's  
Wood  
Supply.



A GROUP OF SEVENTEENTH-CENTURY SHIPS.

This gives a good idea of the style of ship built during the lifetime of John Evelyn. What was the occupation of their owner?

ships were urgently needed was the very time when it was impracticable to import them from the Baltic regions. A long, dangerous voyage of many weeks or even months would be needed to bring ship timber from a point so far away, and England would be long past the need of help before it could arrive. From a nearer and cheaper source England could get a better product at any time, if John Evelyn's enthusiastic urgings could induce Englishmen to plant and take good care of the thousands of white oak cuttings that the good man gave to all who wished them. How wise Evelyn was in preparing England to meet such an emergency is to be seen from what followed at the end of the century. At the time of our Revolutionary War England had such an array of foes that had she been dependent on outside sources for her ship timber, she could hardly have made the successful struggle that she did. If Evelyn had not written his *Sylva* and worked so earnestly for the afforestation of England, the history of Great Britain and the map of Europe would be very different to-day.

Within a century after the founding of the English colonies in North America the colonists began to appreciate the value of the wonderful treasure lying all along their coasts; shipbuilding materials, so dear in Europe and so necessary, were abundant in the settlements. So arose one of the great colonial industries, the building and freighting of ships to be sent to the mother country, where both ship and cargo could be sold. Often the ship was the joint product of a whole neighborhood, the labor, the building materials, and the cargo being furnished by the same families. So many of the colonists were seafarers that their ideas of marine architecture were very practical; this fact, together with the excellence of the materials that they used, gave the colonial ships an unrivaled reputation in the English

**How the  
Colonists  
made Use  
of the  
Forests.**



market. Indeed, the English shipbuilders were seriously troubled by their loss of trade and by the emigration of their workmen, who found the freer life and better conditions of the New World very attractive. A ship could be built in the colonies for less than half what it would cost in England, and it would be of better materials and of a far better model than the English maker could furnish. From a very slender beginning all along the coast this industry became steadily larger. Between 1675 and 1715 at Boston alone over thirteen hundred vessels were built, one fifth of which were sold abroad, the rest being owned in that city. By 1770 the colonies were selling nearly four hundred ships a year to the mother country, while about one third of the total number of English ships had been built in the colonies, of American materials and by Americans.

**What  
American  
Lumber  
meant to  
England.**

Before 1588, the year of the defeat of the Invincible Armada, Great Britain could hardly be said to have a fleet of warships. Since the days of Good Queen Bess it had gradually become the custom for the government to build its own warships in its own shipyards. This gave the colonists a fine market for timber suitable for heavy ships of war. White oak or live oak for the frame, yellow pine for planking, white pine for masts and spars, all must be of the best, for as the years went on it became the ambition of England to be the leading maritime nation of the world. The oak from the Northern Colonies was so abundant that, as a rule, the builders used only "heart of oak" for merchant ships. Timber was often sent from the colonies to Great Britain on shipboard as ordinary cargo, but there was much that would not load well. This gave rise to what were called "Jews' rafts," great rafts of masts and spars bound roughly together in the form of a ship's hull, with one mast erect, and a rude house to serve as shelter for the crew.

Such a raft would take many weeks or perhaps months for the voyage across, but its value was very great, and time was worth little. The seaboard colonies were fortunate not only because timber was abundant, but because there was a great number of trees suitable for masts and spars of the largest size; not until after the American Revolution did the "built up" masts come into use. In the period just before the Revolution a mast three feet in diameter at the foot, suitable for a "74" or a larger ship of war, delivered at Portsmouth, England, was worth about \$3000 to the colonial merchants. So dependent had England been on American ship timber that the Revolution would have meant ruin to the English navy, had not John Evelyn's white oaks grown by that time to a size fit for use.

The European settlers in America necessarily lacked many of the comforts and conveniences they had had at home. The very hardships of their lives made them self-reliant to a degree hardly realized in Europe. The distance from the home country and the great cost of transporting goods forced the colonists to become skillful in making for themselves such things as a few simple tools and abundant material suggested. The making of household utensils of wood is still an important industry with us, although we manufacture them by machinery, while our forefathers made everything laboriously by hand. The people of New England, especially, believed as a part of their religion that idleness was a sin, and "pick-up work" was thought necessary for every member of the household. Under this head came the manufacture of all kinds of wooden articles, large and small, not only for home use, but for the export trade. Oddly enough, much of this product was sent to a part of the world that we are accustomed to think of as well wooded, the West India islands.

**The Manu-  
facture of  
Wooden  
Articles  
Natural to  
New Eng-  
land.**



#### WHY "BUSY WORK" ACCOMPLISHED SO MUCH.

In 1751 Isaac Lawrence used this limestone slab as the doorstep for his new house, and ultimately used it as his family record. If Jonas, Stephen, Isaac, Asa, William, Elijah, Solomon, Azuba, Ama, Lydia, and Hannah, with their father and mother, were all busy, think of the practical results. (From a photograph made by the author. By permission of the present owners of the house.)

The Spanish colonies in the New World were well supplied with wood, and, for the most part, with valuable woods, such as mahogany and brazilwood, or logwood, as it was called in America. Logwood grew in damp tropical forests, and the task of cutting and shipping it was unpleasant and dangerous at best. But logwood unfortunately was often made the means of oppression by island governors. A certain royal governor of one of the English West Indies celebrated his arrival by an order that every male over twenty-one years of age should pay him five tons of logwood as "a present." As this involved a great deal of forced labor for a gift amounting in our money to about \$200 per man, it is little wonder that the islanders were not overfond of the name of logwood. When the wood reached Europe, the process of converting the logs into dyestuffs was often performed by convict labor. The heartwood of the logs was reduced to powder by the use of a coarse rasp, and the dust raised in the operation was thought to be very unhealthful. It was one of the most tedious kinds of labor to be found in Europe, and was therefore selected as the proper work for prisoners.

Lumber in  
the West  
Indies.

Another wood found in the West India islands was mahogany. This, like the brazilwood, was sent almost entirely to Europe, though a little found its way to the continental colonies for use in furniture making. Throughout the West Indies almost all labor was performed by slaves, and as slaves are most profitable when set at the simplest and rudest kind of labor, proprietors in the West Indies devoted their labor to the raising of sugar cane and the making of sugar. The result was that though there was plenty of lumber in the islands and a large supply of labor, yet the timber was not used in manufacturing, and the islands were entirely dependent on outside sources for all kinds of lumber and wood products.

**Wood Industries in New England.**

This dependence was of the greatest importance to the continental colonies. We find, for example, that nearly all of the machinery used in the manufacture of sugar in the West Indies was made in New England of New England wood. Household utensils and furniture, especially turned articles, came from the same source. House frames and all sorts of building materials were "got out" by carpenters in the colonies and sent to the islands to be set up.

**Barrels and Casks for the Sugar Trade.**

By far the most common "pick-up work" in the New England farmhouses of this period was the making of barrel parts, heads, staves, and hoops. The wood for this purpose was found in large quantities all through New England, frequently as a by-product of the shipbuilding industry. Moreover, the tools required were few and cheap, and the processes were so simple that many members of the family could labor on the same kind of work. Consequently the profit of the cooper's trade in early days must have been great. A large share of all the barrels made by the colonists was used in the sugar industry, and for this use, on account of the nature of the product to be shipped in them, the barrel parts had to be constructed of wood of the best quality.

**The Old Process of Claying Sugar.**

The process of making sugar, as it was carried out in the Sugar Islands (the West Indies), was of the rudest possible nature, largely because slave labor was the only kind available in the islands. When the juice of the cane had been boiled and had been allowed to stand and crystallize, the part remaining liquid was what we call molasses, while the crystals were what we know as brown sugar, then called "muscovado." This was a very crude form of sugar and contained many impurities. Theoretically it would have been more profitable to purify it in the place where

it was made, but the method of purifying followed in colonial days was what was called "claying" the sugar, and the process demanded much care. The island producers found that slaves spoiled so much that the value of the product was almost destroyed. Molds were made shaped on the outside like a cylinder, hollow on the inside like an inverted cone, with slightly bulging sides; at the bottom of the mold (the apex of the cone) was a tiny hole. The molds were filled to within an inch of the top with the raw sugar, tamped down hard; over the sugar to fill the mold was poured a thin liquid mud made of a certain kind of clay. If the top of the sugar had been made perfectly flat and if the mold were level, the tiny particles of clay would gradually work their way down through the sugar, each picking up a load of impurities as it went and finding its way out at the little hole at the bottom. When the first lot of clay had disappeared, the space would be filled again with the mud, and the process was repeated until the sugar was a hard, white cake, known as a loaf of sugar. However, if the top of the sugar had not been level or if the molds had been carelessly handled, the water in the liquid clay would settle in the lowest places, and would work its way down, boring a little hole through the sugar. The clay would all escape through this hole and the sugar would be ruined. All through the process of clarifying the sugar the very greatest care and judgment must be exercised, and these slave labor could not furnish. Hence it was necessary to ship nearly all the raw sugar or muscovado to Europe to be refined.

The great difficulty in transporting sugar lay in the fact that the unrefined sugar was so moist that only a little additional moisture was needed to make the sugar go back into molasses. In that case the molasses might escape from a cask that was tight enough to

**Workman-  
ship must  
be of the  
Best.**

hold sugar, but not tight enough to hold the liquid. The colonists were able to sell the islanders the very best grade of casks, tight enough not only to hold the sugar, but to keep out the moisture that might ruin the contents. Even with the best casks the shippers reckoned on a loss of about 5 per cent of the cargo of a ship on the voyage to Europe; one stave of too porous wood used in the making of a sugar hogshead might ruin the contents.

**The Great  
Number  
Needed.**

As a rule, the barrels used in the sugar traffic and its allied trades were never used twice. There were two reasons for this: first, the barrels were so knocked about in their over-sea travels that they were likely to be leaky; second, since they must always be shipped "knocked down" when empty, the process of taking them to pieces and putting them together again the second time was entirely impracticable. All these reasons working together gave the colonists a constant market for all the cooper's materials that they could possibly provide. The Yankee ship captain carrying a load of sugar casks to the islands exchanged his cargo for casks of molasses, taking the balance of his pay in money. This was the origin of our United States system of silver coinage. We may get an idea of the magnitude of the trade in "pipe staves" from these figures: in 1770 the colonies imported from the Sugar Islands more than three and one half million gallons of molasses, using over fifty thousand hogsheads; add to this the number of barrels required to send the sugar to England and the rum to Africa, and it will be seen how busy the thrifty American farmer-coopers must have been.

**Effect of  
the Revolution  
on the  
Island  
Trade.**

The result of this interdependence of continental and island colonies was that, by the time of the outbreak of the Revolutionary War, the island colonies had come to look upon their connection with the continental colonies as essential to the island pros-

perity; with the ending of the war, however, it remained to be seen whether the British government would allow the United States to continue to play so important a part in the profitable commerce of the West Indies. Would the English government think of the importance to the islands of the continental products and trade, and so, wishing to keep the islands prosperous, allow the Americans to keep up their close commercial association with them? Or would the government think only of the value in pounds, shillings, and pence of the lumber traffic from the continent to the islands, and reflect that all the money for the thirty-nine million shingles per year might just as well go into British pockets as into American? The Englishmen in power in 1783, when the treaty ending the Revolution was made, were men who did not believe that colonies were of any value to the parent state, but that a parent state should get rid of her colonies as was convenient, and should certainly not take much trouble to protect or develop them. Hence the treaty of 1783 says nothing about American commerce. Soon, however, those in charge of affairs in Great Britain lost power, and their successors managed to bind the commerce of the United States with many restrictions and with new treaties, so that the American lumber interests found that they had lost at once their southern market for woodenware and their over-sea market for ships. With the coming in of a new and better government in the United States in 1789, shipping picked up a little, only to be given a hard blow by Jefferson's Embargo Act in the first decade of the nineteenth century. Although much lumber was naturally used for shipbuilding, after that date the amount was as nothing compared to that used in former times. Where, then, did the American lumber producer find his market?



**A Still  
Larger Use  
for Lumber.**

Of the countries now recognized as leaders in the affairs of the world, not one has grown as rapidly as the United States. Not only has the total population increased largely, but this growth has been accomplished in less than a hundred and fifty years. Benjamin Franklin estimated that the total population of the country doubled every twenty-five years; Mr. Walker said (about 1845) that it doubled every twenty-three years. Shelter had to be provided quickly and cheaply for this rapidly increasing population, hence arose an enormous demand for lumber, not only for housebuilding but for fuel.

**American  
Wasteful-  
ness.**

If we Americans have one great common fault, it is that we are wasteful of the natural resources of the country. Three centuries ago we took possession of a continent wonderfully favored in natural wealth. Animal, mineral, and vegetable resources have been used so improvidently that many of the forms of our natural wealth have disappeared or are fast disappearing. It is not that we have just awakened to the greatness of our sin, for colonial records show that the colonists recognized and tried to guard against such wastefulness. In the town records of Cambridge, Massachusetts, under date of December 12, 1653, we read: "whereas many Complaintes are made to the Townsmen of the vnreasonable stroy that is yet made by many persons of the wood and timber wch lieth in Comon in this Towne, not with standing all orders that haue formerly bin made for the prservation thereof, It is therefore ordered by the Townsmen that no man shall cutt of the boughes of any tree, nor fell any tree uppon the Comon for fier wood, (excepting only Such as are dead and sare); uppon poenalty of fíue shillings forfeiture for eurie tree so felled or stowed contrary to this order. Richard Hildreth and Tho. ffox are desired to see this order executed, and are to haue the one

fourth part of the fines for their Labour." Shortsighted business interests have prompted us to waste our forests, and from 1620 until 1911 we have actually squandered a greater value of the forest growth than we have put to a good use. As our farmers pushed westward, they found that the easiest way to get rid of the great trees was to fell them in rows and burn them



LOGGING WASTE IN THE PINE FORESTS OF MICHIGAN.

When these logs are burned, much of the value of the forest soil will be destroyed.

when convenient. This process cleared off the stumps and left a good natural fertilizer on the ground. At the same time, however, it destroyed much of the upper layer of the soil, the product of decaying leaves and plants. The injury to this rich soil more than balanced the value of the ashes left by the burning.

During the nineteenth century the invention and improvement of wood-working machinery made wonderful progress. This machinery has been of

**Broadening  
of the  
Market.**

the greatest advantage to us in a commercial way, but it has threatened our reserve of standing timber, which has been used up far faster than nature can replenish it. Products of wood machinery have become much cheaper, hence they have a larger use; when we can buy clothespins for less than a cent a dozen, we do not worry much over the loss of a clothespin. Moreover, the advance of science has given us ways of utilizing waste products from the lumber industry. Perhaps the most profitable and economical of such uses is the process of making paper from wood pulp.

**The English Idea of Colonization.** Before taking up our present problem of the preservation of our forest resources, let us see what the experience of our nation has been in the past in matters of this sort. We must go back to the days when England was hoping to found a great empire in the West. In the year 1600 England had formed no settled plan of dealing with colonial affairs, simply because she had no colonies. There was, however, in the minds of the English the vague idea that colonies ought to exist for the benefit of the mother country, in the sense that colonies ought to produce what the mother country needed, and ought to form a market where the mother country might sell what she produced. Thus mother and daughter would be mutually helpful. This, of course, was theory. Now the English are a home-loving people, and, as a rule, they will not leave home for a foreign country unless driven by some very strong motive, such as persecution, famine, poverty, or perhaps some inducement that promises a much better home in the new land. Hence when various English companies and individuals were trying to "boom" the new country, the advance agents sent in reports that they thought would attract settlers, laying stress on the new country's supply of articles of commerce which England needed, and which were then obtained at high

cost from some European country. Among these articles was the class of products known as "naval stores."

These are pitch, tar, and turpentine, all of which **Naval** are obtained from the sap of a variety of pine. **Stores.** To us, in these days of steam and steel ships, such commodities do not seem of much importance, but in the age of colonization, a large supply of them was essential to the nation that wished any great number of ships. England's ambition to become the mistress of the seas made it doubly important for her to find a source of supply that would not be affected by war or by a change of political policy. These naval stores were used in almost every part of the ship; the planks of the hull were covered on the outside with a thick coating of tar, the best-known preservative of wood against the boring insects of the sea, and the spaces between the planks were packed with oakum and tar. The deck planking, too, was treated with tar, while the rope of the rigging likewise was protected against dampness by a coating of tar. In short, naval stores constituted a shipbuilding material so essential that the commerce of the world could hardly have developed without it. Naturally, then, the men who came from England to "spy out" the land and to try to induce immigration looked for the trees that would furnish to England a large supply of these necessities, and to the colonists a steady source of income.

In 1588 Thomas Hariot published a report of a **The Ex-** voyage he had made, with others, to Virginia; **perience of** Mr. Hariot was a famous mathematician, and his **Virginia.** word probably had much weight with Englishmen. He says: "Pitch, Tarre, Rozen and Turpentine: There are those Kindes of trees which yeeelde them abundantly and great store. In the vary same Iland where wee were seated, being fiftene miles of length, and five or sixe miles in breadth, there were fewe

trees els but of the same kind; the whole Iland being full." However, after the English had been in Virginia a year, John Smith wrote as follows to the Virginia Company at home: "I followed the new begun workes of Pitch and Tarre, Glasse Sopeashes and Clapboard, whereof some small quantities we have sent you. But if you rightly consider, what an infinait toyle it is in Russia and Swethland, where the woods are proper for naught else, and though there be the helpe both of man and beast in those ancient Commonwealths, which many an hundred yeares have used it, yet thousands of those poore people can scarce get necessities to live, but from hand to mouth. And though your Factors there can buy as much in a week, as will fraught you a ship, or as much as you please; you must not expect from us any such matter, which are but a many of ignorant, miserable soules, that are scarce able to get wherewith to live, and defend our selves against the inconstant Salvages: finding but here and there a tree fit for the purpose, and want all things els the Russians have." At a little later date, when a more practical business man was at the head of the affairs of the Virginia Company, the colonists were instructed to supply pitch, tar, hemp, cordage, iron, soap ashes, masts, timber of all kinds, flax, silk grass, silk, salt, and wine. Economic tendencies, however, are stronger than kings and laws, and we find that the colony produced little besides "that smokie weed of Tobacco," although they had been told many times how "extreamly displeasing itt was to the Kinge and scandalous unto the Plantacon and unto the whole Company." King and law had to reconcile themselves as best they might to the fact that Virginia would cling to its "Dotinge affection to Tobacco," and in one small corner of the colony only was any attention paid to the production of naval stores.

One cause of the failure of this industry in Virginia seems

to have been the fact that the colonists attempted, in gathering the supply of stores, to use the method employed in northern Europe; the process suited to the colder climate did not seem to be profitable in the warmer region. In New England, however, the climate was so similar to that of the southern Baltic region that the Russian method was practicable. The proverbial thrift of the Yankee, too, was favorable to the development of such an industry, for in the process of making the manifold assortment of wooden articles in New England, one kind of wood could not be put to a profitable use, *i.e.* the "pine knots." Of course they could be burned for light, but the people had a better source of light, and they objected to wasting anything that might be turned to a more profitable use. So the pine knots were collected and distilled into tar; how large the industry became it is hard to say, but we have a record of one year (about 1700) when a single fleet carried away from Boston over six thousand barrels of naval stores. With the increase in the lumber trade the amount naturally grew larger, and it is evident that the New Englanders themselves must have found a use for a large quantity of these stores in their own shipbuilding. Tar at that time was worth seven shillings sixpence a barrel, equivalent to about seven dollars.

Naval  
Stores in  
New Eng-  
land.

The beginning of New York's interest in naval stores is found in Germany early in the eighteenth century, when a great many Germans became exiles for the sake of religious freedom. About thirteen thousand of them went as far as London, but as they had no money, and were entirely dependent on the charity of the English, over three thousand of them were induced to go to New York with Governor Robert Hunter in 1710. There were several reasons for this emigration. It was necessary to do something with these Ger-

Naval  
Stores in  
New York.

mans, and London had supported them long enough already. A former governor of the New York colony had been eager to attempt the manufacture of naval stores from the forests of pines that lined the Hudson, but lack of labor had made it impossible. Now the laborers were to be found, but there was not enough money to provide for them, and official delays very quickly used up the money at Governor Hunter's command. While the delays were occurring, the "poor Palatines" took matters into their own hands and left the lower Hudson, going up the river and into the Mohawk valley, where they took possession of a large tract of fine farm land. Here they lived and prospered and played an important part in the development of the colony and state, in spite of the discovery soon made that the pines of the lower Hudson were not the kind that yielded tar.

**The Bounty  
on Naval  
Stores.**

Before we take up the discussion of naval stores in the Carolinas, the region where this industry has been most successful, we must consider for a moment the bounty and the reason for it. In theory the colonies were designed to serve as a market for the goods produced in the mother country. If this idea was to prevail, there must be no manufacturing of goods in the colonies, and certainly no goods should be produced here that could be made and sold by the mother country. But it often happened that trade intercourse between Great Britain and the colonies was obstructed for some reason; even at best, transportation was expensive, so that very cheap goods often could not bear the cost of carriage to America. Of course from the English standpoint that made no difference, but the colonists objected vigorously to paying 200 per cent more for English-made articles than for those of their own manufacture. By the year 1700, although the manufacture of goods was forbidden by English law, all the colonies carried on

more or less manufacturing within their limits. This fact was often reported to England by royal officials, and many suggestions were made as to ways and means of preventing the colonists from injuring the trade of the English merchants. These officials seem to have thought that the proper way to manage the uneasy colonists was to keep them busy in the production of naval stores, so that they might get money or credit with which to buy the expensive English goods. To aid this movement, the English government, in 1704, offered bounties for the production of naval stores in the colonies. Since these bounties were large, amounting to about two thirds the selling price of the tar, it is no wonder that the colonists, were glad to engage in so profitable an undertaking. It is probable, however, that they did not altogether desist from their unlawful manufacturing on account of the supposed kindness of their government.

Throughout the colonial period the people of Virginia had reason to be envious of the lot of their neighbors farther south. Eastern Virginia was not especially healthful; its lands were low-lying and subject to floods, while in the Carolinas the land was higher, rolling, and sandy, and the climate was dryer and more uniform. To the hard-worked Virginian, such a region seemed like a dream too good to be true. North Carolina was well stocked with the trees from which good tar was produced, and it had a climate proverbial among the colonists for healthfulness. The demand for tar was constant, and ownership of land was not necessary. One could exhaust the forests in his neighborhood and then move on to another unworked region. It was probably the most wholesome of all the industries from the standpoint of the workman. All these favorable points, however, tended to make the population of North Carolina easy-

Naval  
Stores in  
North  
Carolina.



going, not to say lazy. They took little care of the trees, and the production of tar became more expensive as the area of production retreated farther from the coast. Reckless waste of the pine forests is characteristic of Americans, and it has prevailed from the earliest days of the naval stores industry in the Carolinas to the present time.

**Conservation of Natural Resources.** Under this phrase we group the various movements of the last twenty years whose object was the preserving of the animal, mineral, and vegetable productions of the country. Conservation does not mean that the forests or the coal mines or the waterfalls should not be used, but that such care should be exercised in the use of them that they shall not be wastefully used. There is just the difference that there is between spending money, and investing it and spending the income from it. Ever since the first Europeans came to this country we have been expending our resources; now we have used so much that we see the necessity of investing what we have left, and using only the income of our property. Originally the United States contained over a thousand million acres of forest land. To-day we have about half that area of forest land, 88 per cent of this remainder being in the Rocky Mountains or west of them. We must acknowledge that we have every year wasted enormous amounts of our forests. At the present time we waste five eighths of all the lumber cut in a year. If the pine waste from the mills were used for making naval stores, the output might be increased every year by about a third. If the sawdust, shavings, and slabs from the soft-wood mills were used in the making of such by-products as alcohol, pyroligneous acid, and acetic acid, these waste materials would be worth many hundreds of thousands of dollars. If soft-wood refuse were used for making wood-pulp paper, we would make more than



THE RESULT OF CUTTING OFF THE FORESTS.

The rolling country at the foot of this mountain was originally well wooded ; now that all the wood has been cut off, the land is subject to droughts in summer, and is washed by the rains. The three faces gazing out over the valley have seen great and evil changes in the productivity of the soil.

five times the amount of paper now produced. If the refuse chestnut wood were utilized for extracting tannic acid for the use of leather manufacturers, the amount annually produced might be doubled.

**What these  
Figures  
Mean.**

If we do not take wise care of what remains of our forests, we shall soon have nothing left of the great treasure that our ancestors found here in the seventeenth century. Unless we begin to conserve it immediately, the pine left in the South will yield naval stores only about twenty-five years longer. Foreign countries have shown us that a nation's forests may be taken care of in a businesslike way, and may be made to pay a profit. This is a matter of concern to every one, for wooden articles are needed by all of us, and if, through our abuse of the forests, the price of wood goes up, the cost of our living will be increased. If we continue to waste our timber and the price keeps on increasing, of course, inventors will produce something that will take the place of wood in common use, but that cannot prevent great temporary inconvenience, nor can it save the vast amount of property loss that would follow the destruction of the forests.

**Floods and  
their Rela-  
tion to  
Forests.**

Forests usually start on a sandy or gravelly soil, unsuited to agriculture because it will not hold water. They increase for perhaps hundreds of years, and every year the fallen branches and twigs and leaves decay, making in time a layer of rich, porous soil. It requires hundreds of years to make a layer of such soil only a few inches deep. This soil acts as a sponge, holding the water back, so that even a very heavy rainfall or the water from the melting of the snows in spring may be weeks in escaping from it. From a river that rises in such soil we have a gradual flow of water; droughts and floods are equally rare. Evaporation, too, is very slow, for we have all noticed how damp the woods



**GULLIED FIELD SHOWING DESTRUCTION OF LEVEL LAND BY EROSION.**  
The steep soil rests upon decomposed rock, which undermines very rapidly. Near Craig,  
North Carolina.

are for a long time after the summer's sun has dried out the surrounding region. Suppose, however, that the lumbermen come and take out the largest and best timber. The sunlight quickly dries up the soil. The lightning or some camper starts a fire which spreads rapidly among the "slashings" left by the



**A TYPICAL WATER POWER.**

This shows a fall that has within twenty-five years been used extensively as a source of power. The condition of the rocks at the side of the falls and in the foreground shows that the flow of water was once many times greater than it now is.

lumbermen, and the whole face of the old forest is devastated by a forest fire. To be sure, the fire gets rid of much material that might hinder the work of the farmer, but it also injures the thin layer of rich soil, sometimes even permanently destroying it. Then, too, the serviceable spongy character of the forest soil has disappeared, and spring and fall floods, once

nothing to fear, become now terribly destructive to life and property. A hard rainstorm causes a sudden flood that may do much damage, and the sides of the hills wash down in great gullies, ruining the land for farming purposes and choking the beds of the streams with more material than can be carried away by the waters. Not only does this hinder the navigation of the rivers, but it makes the water spread out over a wider area, and renders the fertile river bottoms temporarily or permanently unfit for cultivation. Also, the amount of water in the river becomes very variable, and the waterfalls along its banks become useless for power purposes because they cannot be used all the year around and because expensive apparatus must be devised for taking care of the great amount of water during flood time. The problem, then, is how to take care of the lands in which our rivers rise, so as to preserve them, not only for the general uses of manufacturing and commerce, but for the safety of the lives and property of the people.

Twenty-five years ago the Bureau of Forestry in the Department of Agriculture was organized, and in 1891 a law was passed, making possible the setting apart of our great national forests. The national government withdrew from sale great tracts of land that would be of little use to farmers, but would be of great worth to the country if kept under a heavy forest growth. Much land around the headwaters of rivers has been made into forest reservations, so that now the nation owns about two hundred million acres of land that have been set aside from time to time during the last twenty years. The Forest Service has done much valuable work in the practical investigation of forest fires, their causes and prevention; in the fighting of insect pests and "timber thieves"; and in devising methods for the more economical use of lumber. A similar work has been taken up by

**What our  
Government  
has already  
Done.**

the separate states, though on a smaller scale. Up to the present time about ten million acres of land have been included in the state forest reserves. It would be hard to overestimate the value of the forests to the country, even from a money standpoint. We can get an idea of it when we learn that the forest products are worth more than six hundred million dollars every year, and that the lumber industry still ranks fourth in importance among the activities of our country; it is surpassed only by industries connected with the production of food and clothing and with the manufacture of iron.

## CHAPTER IV

### THE FUR TRADE

NOWADAYS we are apt to think of furs as a luxury, <sup>What we</sup> something one may have if he has money, but which <sup>mean by</sup> he does not really need. We must keep in mind, <sup>"Furs."</sup> however, that just as the body must be fed and housed, so it must be protected against the weather. In many countries fur of some sort is a real necessity of life. "Fur" means the hairy skin of some animal, and as far as the present discussion goes, the word refers to the skins as brought in by the trapper, and not to some article made of them. Of course there are cheap furs and expensive furs, and the social rank of the wearer may demand luxury in fur garments, while the peasant may be obliged to content himself with sheepskins. The poor man finds the materials for his fur garments nearer home, perhaps raises them himself on his farm, while the man of wealth delights in bringing beautiful and expensive furs from distant places. The desire to find furs is a very different thing from the demand for fish and lumber, which were required to supply food and shelter, and which were therefore absolute necessities. In the early days of our country the furs to be found in the New World necessarily appealed only to the man of wealth, since the catching of the animals in the wilderness and the transportation of the skins for so long a distance made their cost prohibitive to all but the very wealthy. It is apparent, then, that men were attracted to the New World by the fur trade because there were such great profits to be made in it.



**The  
Natural  
Supply of  
Furs.**

North America was especially favorable to the existence of fur-bearing animals; the great stretch of territory from Florida to Hudson's Bay contained all the variations of climate needed by many different kinds of animals, and the wooded regions, with their frequent streams and occasional swamps, furnished homes for many different kinds of creatures that were useful as food or for their fur. At the time of Columbus the Indians on the continent probably did not number more than two hundred thousand, and with their moderate wants and wandering habits they killed so few animals that the supply must have been constantly increasing. When the Europeans came, however, the Indians found that the white man was glad to obtain the skins of many kinds of animals, and was willing to give in return things that the Indians considered valuable. Then the slaughter began, slowly at first, of course, for the European settlements increased very slowly. Strange to say, although the English settlements grew so much faster in population than did the French, for a long time it was in the French trading posts that the killing of fur-bearing animals went on faster.

**Early  
Descriptions of  
Fur-bearing  
Animals.**

The first European travelers described the animals of the new country very carefully. John Josselyn wrote a description of the animals of New England about the year 1670; he included "the bear, wolf, ounce [wild cat], raccoon, beaver, moose-deer, maccarib [a kind of deer], fox, jaccal, and the hare." He even adds that lions are sometimes found there! Captain John Smith speaks of raising muskrats in Virginia, and goes on to say, "Of Bevers, Otters and Martins, blacke Foxes, and Furies of price, may yeerely be had six or seven thousand, and if the trade of the French were prevented, many more." Thomas Hariot, writing of Virginia in 1588,

*New-Englands*  
**RARITIES**  
Discovered:

IN  
*Birds, Beasts, Fishes, Serpents,*  
and *Plants* of that Country.

Together with  
The *Physical* and *Chyrurgical* REMEDIES  
wherewith the *Natives* constantly use to  
Cure their DISTEMPERS, WOUNDS,  
and SORES.

ALSO  
A perfect Description of an *Indian SQUA*,  
in all her Bravery; with a POEM not  
improperly contain'd upon her.

LASTLY  
A CHRONOLOGICAL TABLE  
of the most remarkable Passages in that  
Country amongst the ENGLISH.

*Illustrated with CUTS.*

By JOHN JOSSELYN, Gent.

London, Printed for G. Widdowes at the  
Green Dragon in St. Pauls Church-yard, 1672.

AN  
**ACCOUNT**  
OF TWO  
**VOYAGES**  
TO  
**NEW-ENGLAND.**

Wherin you have the setting out of a Ship,  
with the charges; The prices of all necessaries for  
furnishing a Planes and his Family in his first com-  
ing; A Description of the Country, Nations and  
Circuits, with their Merchandise and Physical use.  
The Government of the Country as it is now regu-  
lated by the English, &c. A large Choice of several Ty-  
pes of the most remarkable passages, from the first dis-  
covering of the Continent of America, to the year  
1671.

By John Josselyn Gent.

Moments, dithich rendered English by Dr. Mejer,

Heart, take thine ease,

Men hard to please,

Thou haply might'st offend,

Though our speak ill

Of thee, some will

Say better; there's an end,

London, Printed by G. Widdowes, at the Green Dragon  
in St. Pauls Church-yard, 1674.

THE TITLE-PAGES OF TWO BOOKS BY "JOHN JOSSELYN, GENT."

Each title-page includes a very good table of contents.

says: "FURRES: All along the Sea coast there are great store of otters which beeyng taken by weares and other engines made for the purpose, will yeelde good profit. Wee hope also of Marterne furies, and make no doubt by the relation of the people but that in some places of the countrey there are store: although there were but two skinnes that came to our handes. Luzarnes also we had understanding of, although for the time we saw none. Deare skinnes dressed after the manner of Chamoes or undressed are to be had of the natural inhabitants thousands yeerely by way of trafficke for trifles: and no more wast or spoyle of Deare then is and hath beene ordinarily in time before." Thomas Glover, writing of Virginia nearly a century after Hariot, tells the following story, easily understood. "And now it comes into my mind, I shall here insert an account of a very strange Fish or rather a Monster, which I happened to see in Rapa-hannock River about a year before I came out of the Country: the manner of it was thus; As I was coming down the forementioned River in a sloop bound for the Bay, it happened to prove calm: at which time we were three leagues short of the rivers mouth; the tide of ebb being then done, the sloop-man dropped his grap-line, and he and his boy took a little boat belonging to the sloop, in which they went ashoar for water, leaving me aboard alone, in which time I took a small book out of my pocket and sate down at the stern of the vessel to read; but I had not read long before I heard a great rushing and flashing of the water, which caused me suddenly to look up, and about half a stones cast from me appeared a most prodigious Creature, much resembling a man, only somewhat larger, standing right up in the water with his head, neck, shoulders breast and waste, to the cubits of his arms, above water; his skin was tawny, much like that of an Indian: the figure of his head was pyramidal, slick, without hair; his eyes large and black,

and so were his eyebrows; his mouth very wide, with a broad, black streak on the upper lip, which turned upwards at each end like mustachoes: his countenance was grim and terrible; his neck, shoulders, arms, breast and waist, were like unto the neck, arms, shoulders breast and waist of a man; his hands, if he had any, were under water; he seemed to stand with his eyes fixed on me for sometime, and afterward he dived down, and a little after riseth at somewhat a farther distance, and turned his head toward me again, and then immediately falleth a little under water, and swimmeth away so near the top of the water that I could discern him throw out his arms, and gather them in as a man doth when he swimmeth. At last he shoots with his head downwards, by which means he cast his tayl above the water, which exactly resembled the tayl of a fish with a broad fane at the end of it."

To both French and English the chief interest of the fur trade with the Indians was the great profit to be made from it. On one of the first voyages of the English to the Maine coast, Weymouth obtained forty valuable skins for some little trinkets that cost four shillings, while Captain John Smith records the fact that for a copper kettle he obtained fifty skins, valued in our money at about two hundred and fifty dollars. It is important to remember that in the bargaining over furs between the whites and the Indians, the Europeans always set the price, and the Indians must either accept the white man's offer or keep the furs; the latter they would not do, for the furs were of little value to them. There were three European nations represented in this fur-trading business, the English, the French, and the Dutch. In their dealings with the whites during the first years of settlement it is fair to say that the Indian got his money's worth, even in such a bargain as

The Unequal Bargains made between the Indians and Europeans.

Captain John Smith's. To the Indian, who had never even thought of such a luxury, a copper or iron kettle was a wonderful thing, while a hatchet was an equally remarkable improvement on the native stone ax. A handful of glass beads furnished more beauty than any artificial object that the Indian had ever seen, and the gaudy colors were a great source of pride to him when the beads were used to decorate his person. So when the trader came around, or when the Indian went to the trading post at the end of the trapping season, the red man was perfectly satisfied with whatever little thing the trader chose to give him. However, after the Europeans had been in the country for a time, conditions became very different.

The Indians learned after a while that the trader thought himself fortunate in the trade; they also became better acquainted with European articles, and were no longer satisfied with what the trader chose to give. They found, however, that the mischief was done, and that the trader proposed to keep on with the original system of bargaining; then they knew that they were being cheated, and the fact that they found themselves powerless to protect their own interests made them all the more bitter against the trader. Officially, both nations frowned on the sale of intoxicating liquor to the Indians, but as a matter of fact it was almost impossible to prevent the sale. Before the coming of the Europeans the Indians had tasted no kind of alcoholic liquor, while the people of Europe had been for ages accustomed to the free use of alcohol; so the rum of the Englishman and the brandy of the Frenchman had a doubly bad effect on the system of the Indian, who had not acquired by inheritance any power to resist the poison that he drank. It was very easy for the trader to make the Indian drunk, and then to cheat him outrageously: Often the trader did not even take the trouble to hide his dishonesty, but cheated

by means of false weights. Irving humorously defines a system by which the Dutch traders often overreached the Indians. "The Dutch traders were scrupulously honest in their dealings, and purchased by weight, establishing it as an invariable table of avoirdupois that the hand of a Dutchman weighed one pound, and his foot two pounds."

Until the coming of the Europeans, a very simple form of barter had been enough for all the business needs of the savage, and it took a long time to change

**The Indian  
No Business  
Man.**

him into a man of business. The native American was not careful of the future in planning for his food supply, and it often happened that he was obliged to buy of the white man at high rates. In New England it was customary to sell the Indians corn on credit, on condition that they pay a pound of beaver for every bushel of corn. Corn varied in price from three to six shillings a bushel, rarely as high as the latter price, while beaver was worth, on the average, about twenty shillings a pound. It is easily seen that such a bargain was unjust, but it took the Indian a long time to find it out, and when such a custom was started, it was very hard for the Indian to change it so as to get a fair price for his produce.

In nearly all the colonies there were strict laws governing the sale of firearms and liquor to the

**Illegal  
Traffic.**

Indians. Yet large quantities of both were sold, and the added risk in the selling may have served the traders as an excuse for a large profit. For example, some traders in the valley of the Mohawk sold muskets to the Indians for twenty beaver skins apiece; an average beaver skin weighed not quite two pounds, so that, at the ruling prices, the Englishmen got over five hundred dollars of our money for each musket! Another example may be found in the case of a treasurer of Salem colony who wished to buy land of a certain chief, and in preparation for the

bargain, made him drunk, for which he charged the Indian the equivalent of six dollars. Since New England rum was a powerful fluid, and a very little of it went a great way, it will be seen that the poor Indian paid dearly for his spree. From the standpoint of the Indian the labor required of the hunter and trapper was not of the degrading sort that his squaw was forced to do, and the rewards of his toil brought him many things that he could get in no other way, although the reward was pitifully small.

**The Supply  
of Animals  
not equal  
to the  
Demand.** All along the coast of New England, from New Netherland north to the French colonies, the English were getting all the furs that they could from the Indians. They seem to have had no thought that the supply would some day give out unless they took care to kill only a reasonable number of the fur-bearing animals. The industry of the New Englanders, which has become almost proverbial, is at once a good and a bad thing; it is true that by no other people could so much have been done in so short a time. In 1632 Captain Thomas Wiggan, of Bristol, England, wrote to a friend regarding the people of Massachusetts Bay, that the English, who numbered about two thousand, had done more in three years than others in seven times that space and at a tenth of the expense. But the New Englanders' thrifty desire to make money led them to sacrifice the fur-bearing animals; between 1631 and 1635 the people of Plymouth colony sent to England furs on which their profits amounted to two hundred thousand dollars, while at the same time, along the coast, many other places were attempting to supply the London demand. In less than a century the fur trade practically disappeared from the ports of New England. The three great commodities, fur, fish, and lumber, were relatively profitable during the early years in the order named; but fur

early disappeared from the market, while fish and lumber continued for a long period to bring prosperity to the "stern and rock-bound coast" of New England.

New England was a little unfortunate in that it was a limited region, with a limited Indian population from which to draw its supply of furs. This once exhausted, the opportunity for wealth that it had once enjoyed also disappeared. The next colony to the south, however, was more fortunate in respect to situation, for in its borders is found the only great natural passage through the Appalachian Mountain system. On the other hand, a navigable river gave access to the remote interior, so that, on the whole, the destruction of the fur-bearing animals would have taken place here as quickly as in New England, if the people of the colony had been of the same sort as the people of New England. It will be remembered that what is now New York was first settled by the Dutch in 1623, and that they held it until 1664. The work of settlement was carried on by the Dutch West India Company, one of the most interesting companies of that age. The settlement of New Amsterdam was, in reality, a side issue with the company, for they hardly intended to colonize, and after the trade post was established, the company did not trouble itself to any extent with the welfare of the unlucky people who had gone over to settle. In fact the company did not allow them to engage in any occupation except farming. This restriction seemed unjust, for the settlers saw that large fortunes were to be made in the fur trade. They consoled themselves by sending large quantities of lumber to Holland, laying the foundation for a profitable lumber business similar to that carried on by the other colonies. After a time, however, the company relented somewhat, and allowed a certain degree of freedom of trade. For this reason the fur trade of the Dutch developed

**The Fur  
Trade of  
New York.**



very slowly. The Dutch of New Amsterdam found the Indians of their part of the country quite numerous, and very much inclined to be hostile on account of their previous experience with Europeans. However, the Indians of the valley of the Hudson were always fighting among themselves, and this gave the English a chance to make friends with one tribe or another, and so to find an opening for the trade in furs. Although the selling of rum to the natives was forbidden, and although the threat of death hung over the man who sold them firearms, still the English of New York found means to arm such Indian tribes as were friendly to them, and to supply them with rum. This alliance between natives and colonists had a most important effect on the growth of the English power in North America.

**French  
Alliance  
with the  
Indians.**

In 1609 one of the greatest of the French explorers of North America, Samuel de Champlain, was in Canada, doing his best to bolster up the power of France. With the idea of strengthening the affection of his Canadian Indians for himself Champlain promised to aid them in the war that they were waging against the Iroquois. Who the latter were, Champlain had no idea; had he known that "Iroquois" was a name of the most powerful confederation of Indian tribes in existence, he might have given more careful consideration to his action. With two of his men he was able to win a great battle for the Canadian Indians by frightening the Iroquois out of their wits with the sound and effect of their musketoons, but his deed had the evil effect of making the Indians of central New York permanently hostile to the French. From the standpoint of the latter people there were two great disadvantages in this hostility: first, the colonists lost a great deal of the fur trade that would otherwise have come to them; second, they lost the advantage of the fact that the political alliance of the Five Nations would have made them undis-

puted masters of a vast territory, which, could it have been occupied and held by the French, would have made them the final masters of the continent.

Of all the native tribes of the continent the five that made up the confederation of the Five Nations were most advanced toward civilization. They had permanent homes in what is now the western part of the state of New York, where they carried on more agriculture probably than did most tribes. They were so strong in war that they made themselves respected, and their wisdom in council lifted them above all the other Indian tribes. They occupied a great extent of territory and controlled many subject tribes, who were in some way made to feel their inferiority. In the winter the Iroquois made their headquarters in the region around Lake Ontario, but at other times of the year they came in contact with other tribes to the north, west, and south of their home territories.

**Why the  
Iroquois  
were po-  
litically  
Powerful.**

The Europeans who settled along the valleys of the Hudson and the Mohawk formed one of the most important of the colonies along the coast, because it was the only one in which the English and the French came into close contact. The open passage through the mountains afforded by the river valley made certain a meeting between the traders of the two nations; such a meeting would naturally not be friendly, because the two nations were hereditary enemies, and because in the American wilderness they were so far from the centers of authority that they might easily indulge in a little active hostility without any one being the wiser. Since the purpose of both in this land was to get furs from the Indians, business rivalry was added to national dislike. Hence, whether France or England should have the controlling influence over the natives of that region speedily

**The Con-  
tact of  
English and  
French in  
New York.**

became a question of the greatest importance. We know that Champlain had already made enemies of the Indians, very innocently, of course ; afterwards, we may be sure, when the governors of Canada realized their mistake, they tried by every means to remedy this error. Then it became a question whether the English governor of New York or the French governor of New France would prove the more skillful diplomatist.

**The English  
and the  
Five  
Nations.**

At the critical time when it was uncertain whether the Iroquois were to be allies of the French or of the English, the governor of New York was an Irishman, Colonel Thomas Dongan, a man worthy to be compared to some of the most famous statesmen of the world, both in his skill in handling men and in his grasp of great questions. Dongan understood very well why the alliance of the Iroquois would be so valuable to the English. We already know that the Five Nations had their headquarters in a region comprising western New York and part of Ontario. By "headquarters" we mean that the permanent winter home of the confederated tribes was in that region. A tribe of Indians needed a much larger area for its support than would suffice a people of settled habits. They obtained much of their livelihood from hunting and trapping, gaining food, clothing, and shelter from the products of the chase, and, as we have already seen, the Indians never drew too freely on the productive capacities of the forests. This fact shows that they wandered very far on their hunting expeditions. They believed, too, that a tribe should have some sort of control over the tribes of smaller size that lived near its hunting grounds. Such small groups of Indians were under the political control of the larger tribe, and their affairs were in some degree controlled by the councils of the larger group. Taking these things into consideration, it is probable that the hunting grounds of the Five

Nations and the smaller tribes connected with them covered a great area, as far south as the southern boundary of Tennessee, west to the Mississippi River, and north nearly to the Great Lakes. Colonel Dongan understood that if he could persuade the Iroquois to declare themselves British subjects, he would not only secure the political control of that great region for England, but he would also get control over the fur trade — a very important consideration when we remember that in those days a colony was supposed to be a source of wealth to the mother country.

Colonel Dongan was far superior to the French **Dongan as a**  
governor when it came to "managing" the Indians. **Diplomatist.**

By dint of tactful speeches he appealed to the pride of the Indians. He carefully planned his gifts so as to give the Indians exactly what they wanted, and he showed them that he respected them and really valued their friendship. By shutting his eyes to the forbidden sale of firearms and rum, he worked on their love of gain. Also, as the Indians had learned by experience, the English gave more and better goods in return for the skins that they brought to them than did the French traders. It was the French custom for the trader to go out to meet the Indians in their homes, and of course the amount of goods that the trader could take along with him was limited and must be made to go as far as possible, hence the high value of the French goods. On the other hand, the Indian had to go to the Englishman's home to trade his furs; time was of little value to the Indian, and he got so much more from the English for his furs that he did not look upon the journey as a hardship. The French could supply the Indian with only one kind of intoxicating liquor, brandy, which was made in France under a government monopoly and was very expensive on account of the long journey to New France. It was of poor quality in the first

place, and the frequent thinning to which it was subjected made it of little account to the Indian. The red man found that English rum was cheap and fiery, French brandy was watery and dear. Dongan took full advantage of such facts as these. He also carried on a lengthy correspondence with the French governor, as a result of which the Frenchman felt ill used, for he suspected that he was being made the butt of ill-timed joking. At one time, for example, Dongan sent, with many profuse expressions of friendship, a box of oranges to his friend the governor of Canada; the latter wrote back his thanks with equally profuse expressions of good will, remarking somewhat dryly that he was very much obliged for the oranges, but that they most unfortunately froze on the way, and were all decayed when they reached him! Ill nature and hard feeling on the part of the Frenchman, combined with quick wit and skillful diplomacy on the side of the New Yorker, resulted in giving England possession of or control over the vast hinterland of the coast colonies. This fact is of the utmost importance, for it was this that decided whether France or Great Britain was to govern the great continent of North America. So carefully was Dongan's work done that all later attempts of the French to gain possession of the western slopes of the Allegheny Mountains failed utterly. So thoroughly did the Iroquois hold to their faith with the English that the fur trade in New York continued practically down to the time of the Revolution, long after its activity had ceased in most of the other colonies.

**Pennsylvania and the Fur Trade.**

The history of Pennsylvania is very interesting to us because, more than any other of the colonies, it took its policy from the character of one man, its founder. William Penn liked to think himself a great philosopher, and yet every one of his business plans went wrong. When it came to religious ideas, he was sincere enough

to try to live up to his theories, and under his influence the people of Pennsylvania treated the Indians as fairly as any one could wish. It is interesting to remember that this just policy brought a great return of material prosperity, not the least part of which was freedom from the terrible Indian wars that hindered the growth of the other colonies during the weakest stages of their struggle for existence. This scrupulous and generous treatment continued down to the days of the Revolution, and there are many instances to be found that show that if the good Quakers of Pennsylvania did make great sums out of the fur trade, they also gave good prices to the Indians for what they bought of them. In July, 1742, at a treaty between the Indians and the Quakers, these were the articles given to the red men in exchange for some land:—

500 pounds of powder	60 kettles
600 pounds of lead	100 tobacco tongs
45 guns	100 scissors
60 heavy woolen coats	500 awl blades
100 blankets	120 combs
100 woolen coats	2000 needles
200 yards of cloth	1000 flints
100 shirts	24 looking-glasses
40 hats	2 pounds of vermilion
40 pairs of shoes with buckles	100 tin pots
40 pairs of stockings	1000 tobacco pipes
100 hatchets	200 pounds of tobacco
500 knives	24 dozen of gartering
100 hoes	25 gallons of rum

It is interesting to note the last item as contrasted with the others; the Quakers evidently believed in civilizing the Indian if they could, and they gave him the rum after the bargain was concluded, not before.

**Friction  
between  
Pennsyl-  
vania and  
New York.** With assurance of fair treatment it was very natural that the Indians should prefer to take their furs to Philadelphia rather than to New York. This deflection of trade aroused the wrath of "the Yorkers," for they thought that they themselves should have had the large profits arising from this trade. Before Philadelphia was three years old, and while it was still a very small place, the governor of New York complained to the government at home that the people of Pennsylvania were getting so much beaver away from the New York traders that if the thing was not stopped, New York and Albany would be wholly depopulated! Of course this statement was absurdly overdrawn, for the fur trade of New York was immensely profitable for years after 1684, but the dispute gave rise to much political and commercial jealousy between Pennsylvania and New York, jealousy that made trouble for the people of the colonies during the Revolution and after it. Intercolonial jealousy was an obstacle to colonial union, and after the constitution had been adopted, the new government was much hampered in its work by the absurd fears held by the men of one colony that the men of the others might get more than their share of political influence. Even so able a man as William Maclay, one of the first senators from Pennsylvania, who had had some tilts with Senator King of New York, wrote: "These Yorkers are the vilest of people. Their vices have not the palliation of being manly. They resemble bad schoolboys who are unfortunate at play; they revenge themselves by telling notorious thumpers. Even the New England men say that King's character is detestable — a perfect canvass for the devil to paint on; a groundwork void of every virtue." Such was the evil inheritance of the early commercial rivalry of these two colonies.

We have already seen that one of the inducements offered

by the early promoters of settlements was the abundance of game in Virginia. It would seem, however, that this colony did not have as large a natural supply of fur-bearing animals as the more northern colonies. The soil was richer than it was farther toward the north, and the Indians, engaging in agriculture more than did their neighbors on the northern coast, used food products instead of furs for traffic with the whites. Hence, when the Virginia traders had used up the supply of furs in the comparatively small area between the mountains and the sea, the future prosperity of the colony appeared to lie in agriculture, for the mountains seemed to shut the people in on the west. If the student looks on the map for the upland region of Virginia, he will find that it consists of many narrow valleys running from northeast to southwest. It was not until nearly the middle of the eighteenth century that the settlers in Virginia got up courage to leave the coast region, and the natural direction of their journeying lay down the valleys toward the southwest. These trading expeditions made it possible for the Virginians to renew their traffic in furs, but it also brought them into conflict with the people of North and South Carolina, who claimed that their lands went west indefinitely. Here, as in the case of New York and Pennsylvania, rivalry for the rich rewards of the Indian trade caused jealousy between the colonies that was responsible for much trouble when the time for political union came.

Of all the colonies, Virginia has the least worthy record in her treatment of the natives. New England, New York, and Pennsylvania owed their most serious Indian troubles largely to French interference, but the people of Virginia had trouble with the Indians from the start, and most of their difficulties were due to their own ill treatment of the red man. Injustice of various sorts not only

**The Fur  
Trade of  
Virginia.**

**Virginia  
and the  
Indians.**



led to wars with the local Indians, but made trouble between the Virginians and the Five Nations. This is one of the best examples of the effect of the Indian trade on the development of the colonies, for it was the attempt on the part of Virginia to correct some of her mistakes in Indian policy that first led the colonists to any kind of united action. The results of the Albany Congress were not remarkable, but through it the colonists became accustomed to the idea of consultation with each other. If we except this important result, the fur trade played a much smaller part in the history of Virginia than in any other one of the larger colonies.

**South  
Carolina  
and the Fur  
Trade.** South Carolina had two great difficulties to contend with. Until 1732, and indeed for nearly twenty years later than that, she was the real frontier colony toward the south, and had to bear the constant danger of Spanish and Indian attack. Moreover, of all the colonies, South Carolina had the most corrupt government, and this affected her prosperity very seriously. One of the great natural commercial resources of the region was the fur trade, and as late as 1719 this very profitable traffic was supposed to be restricted to the proprietors of the colony, and their agents. Many of the men who carried on the trade were not very careful to trade honestly with the Indians, and the Indian wars that followed involved the colony in terrible losses of life and property. Indeed the fear of such wars kept many would-be colonists away. So it happened that the Carolina fur trade did not reach very large proportions until about 1720, when we find that changes in the government of the colony threw the trade open to all. People then took up the fur trade with such recklessness that in about twenty-five years it had almost disappeared.

This strange state of affairs is easily accounted for. In the

region west of South Carolina there were no mountains to cut off the coast from the Mississippi valley, but only the low hills that form the end of the Allegheny system. This made journeying much easier than would have been the case farther north. Again, the region seems to have been much more thickly populated with the Indian tribes than the northern section, and when these natives once saw the profits to themselves of the unrestricted trade in furs, it did not take them long to push the slaughter of the animals so far that the most valuable were either exterminated or frightened away from the region. We have used the word "furs" in reference to the trade of this colony, but in reality the furs that played so important a part in the trade of the northern colonies were produced in very small quantities in the Carolinas. This trade was largely in deerskins, either "Indian tanned," or with the hair still on. The number of these produced in one year is wonderful. In 1720, for example, the number was nearly a quarter of a million, and a few years later it reached half a million.

It is evident that, when the animals were slaughtered at such a rate, the traders must each year go farther and farther into the wilderness to find peltries. This made a great difference in the profits of the trade. As early as 1675, the goods most in demand among the Indians were beads and hatchets. The beads cost, in England, about a dollar a pound, and the hatchets about seventy-five cents apiece. Of course the freight across the water amounted to something, still, when the Indians sold the skins in the settlements, the profits were almost as great as were Captain John Smith's. But when the traders had to go so far into the back country, matters assumed a different look. There were no roads, of course, and the usual method of transporting goods was to "pack them," *i.e.*, make them into small bundles and

**Westward  
Movement  
of the  
Frontier.**

others from encroaching on their rights. Furs, however, ranked as a luxury in France, and persons below a certain social rank would not be expected to wear furs brought from North America. Hence it was comparatively easy to watch those who dealt in North American furs, and to stop illegal trading.

**The Effect of the System on the Colony.** Since the main purpose of the colony was to make money, the government of it would naturally be constructed with the intention of guarding the interests of those who wanted to make money. There would be little planning for the well-being of those who might come in to develop the farming or manufacturing possibilities of the land. Experience showed the French that it is impossible to develop a country and to change it from a wilderness to a land truly French, unless the mass of the people of the mother country are in favor of such a movement and take part in it heartily. The French government found it almost impossible to obtain any amount of emigration to New France. The French peasants were in a most miserable condition, but for all that, it was not probable that they would improve their condition by emigration. The English success in the New World was due largely to the great number of settlers of the best sort that came to America; the difference between the success of the English and the French is shown by the fact that in 1760 the French could muster only about eighty thousand souls, scattered over a region nearly three times as large as Europe (without Russia), while the English had over a million people in their colonies, in a region only a fraction of that size.

**Agriculture in Canada.** The first Frenchmen to go to Canada were naturally impressed with the great difference in climate and soil between their own sunny France and the new country. It is not to be wondered at that they came to the conclusion that, in so cold a land, farming must always be an

inconsiderable matter, and that the best output of the region must be fur. It may be said that all the attempts to colonize Canada with agriculturists were practically failures. The number of people needed to carry on the fur-trading business in a given area would be very much smaller than the number required to occupy the same area in the way that the English settled the land. Suppose, then, the two nations, the French and the English, should declare war against each other in the new land, and that it should come to be a matter of strength and endurance; it is apparent that the thinly settled region would not be able to stand against its more compactly settled neighbor.

Unfortunately for the peace of the continent, the French and English very early clashed over the fur trade; as we have already seen, the colonies from north to south found the French behind them, trying to stop their westward growth. The French considered the fur trade the only thing worth while on the continent. It is true that the French aimed also at the political control of the region, but although France could make the most glorious plans for the acquisition of the East and the West, she could not carry out these plans. To the English, the fur trade was merely a passing interest, a good way in which to make money while it lasted, but the failure of it did not at all hinder the prosperous development of the English colonies. In their fur trading with the Indians, the French carried out the wasteful policy of so encouraging the production of the skins that the fur-bearing animals gradually became exterminated in a slowly widening area, commencing with the region close around Quebec and Montreal. Not long after the first settlement, it became necessary to go off on long expeditions with many canoes, in search of furs, and before New France was a century old, such expeditions covered three years.

France and  
England in  
America.

The road led the hunters to the western end of Lake Superior, and from that point they went out into the little-known wilderness west and northwest of the Great Lakes. It is plain that with such a wasteful use of nature's resources, there must come an end to the French fur trade.

**The Im-  
portance of  
the St.  
Lawrence  
Valley.**

The French were very fortunate in their possession of the St. Lawrence valley, for it gave them the only clear entrance from the coast into the great central plain. Had they colonized the valley in the same way in which the English did their territories, instead of exhausting the natural supply of furs, they might have made a great success. But by 1670 their policy obliged them to strike off into the great northwest. Of this region little was known. The maps showed it to be a wilderness of rivers, swamps, and forests, a paradise for fur-bearing animals, but useless for permanent settlement. The maps were all wrong, but the trappers, the "voyageurs" as the French called them, brought home stories of untold wealth to be found there, if one had money, perseverance, and freedom of trade.

**Origin of  
the Hud-  
son's Bay  
Company.**

Two of these men, Radisson and Groseilliers, so resented the French method of controlling the commerce of New France that they determined to try to get backing of some sort so that they might carry on their trade in spite of the French monopoly. One of them, Radisson, had married an Englishwoman and the two men accordingly went to the merchants of Boston for help. These Bostonians, however, were too cautious to risk the needed money. Then the two Frenchmen tried the court of France, in the hope of breaking up the system of governmental monopoly. This, too, failed, and, as a last resort, they betook themselves to England. There they found circumstances wonderfully favorable. To understand this, we

must consider for a moment the English history of the previous generation. In 1660, King Charles II, who had been an exile in Europe since his father's death in 1649, was invited to return by the English Parliament. Parliament guarded carefully its own interests, and made it a condition of Charles's return that he should accept the provisions of a law that Parliament had passed, called "The Act of Indemnity and Oblivion." This law stated that none of the people who had received the lands of the exiled Loyalists should be obliged to restore the lands or their income to the former owners. This meant that Charles II and most of his friends must be very poor, and that they were cut off from enriching themselves, as they might otherwise have done, from the prosperity of their opponents in England. The efforts of Charles and his advisers to provide for the poverty-stricken courtiers explain much that went on in the colonies in the twenty-five years following 1660. By the time Radisson and Groseilliers reached England to get help for their fur-trading enterprise, something had been done for many of the courtiers; but Prince Rupert, cousin of the king, had not been helped. Here was a chance. We find that in 1668 an expedition was sent to Hudson Bay to look over the land. It was a very successful experiment, and brought home the promise of great riches. So in 1670, a company was formed, with Prince Rupert as its nominal head, called "The Honourable Company of Merchants-Adventurers Trading into Hudson's Bay." Charles gave it the right to conduct a trading business in the region of Hudson's Bay. Just how he got the right to make this grant does not appear, but he was so considerate of French interests as to specify that the employees of the company should be careful not to trespass on territory occupied by any other Christian prince!

The charter of the Hudson's Bay Company was indefinitely

**The Hudson's Bay Company and the French.** worded, and when the company really got to work, it did about what it pleased. Hudson's Bay is a thousand miles long from north to south, and the country drained by the streams that flow into it comprises an area larger than Europe. This area the company proceeded to claim, and to govern politically, as though it were a country of its own. The "height of land," as it was called, the waterparting between the Hudson's Bay and other systems, was claimed to be the boundary of their land. This line comes nearly to Lake Superior on the south, and extends to the Rocky Mountains on the west. The French objected to such a sweeping claim on two grounds. First, they desired political control over that vast region for their own king; second, they wished to monopolize the valuable fur trade of the Indians, for it was only the profits of that trade that made the New World of financial value to France. It was essential to the success of the French that they keep the English out of the region to the north of New France.

**Difference in Methods of English and French Traders.** The difference in the way in which the two nations conducted the fur trade is very interesting. The Frenchman made long expeditions into the Indian country, living in all respects like an Indian, often even marrying an Indian squaw and joining her tribe. He carried his trading stock with him, and, as has already been explained, the only liquor that he could take was brandy, of poor quality and high cost. The English, on the contrary, built small fortified trading posts on the Bay and its tributary rivers, and expected the Indians to come to them. Here the Indians could get rum and a far greater variety of European goods than they could obtain from the French trader. Probably the Indian got better prices for his furs from the English than from the French. It was also true that the most valuable furs

were to be found toward the north, so that the English in Hudson's Bay had a geographical advantage over the French in Canada.

When the proceeds of the French fur trade began to show the bad effects of the English competition in the north as well as in the south, the French governor of Canada sent out expeditions to destroy the English trading posts. This hindered for a time the development of the English trade, but it was only a temporary check for the English, as New France was not prosperous enough to stand the expense of many expeditions, essential though they appeared to be. New France was always in a precarious financial condition, and its governors not only had little help from home, but they were hampered by the form of government under which they worked. There were virtually three heads to the government of New France, a governor, who was the political head; another official who had charge of finances, and a third, who was the religious head. It was the duty of each of these three to spy on the others, and to report to France, secretly, on the doings of the others. This system was supposed to keep each official true to the French idea of a colony as a producer of wealth for the group of capitalists and courtiers who had obtained the monopoly of the trade. At any rate, the system resulted in weakening the government, and any aggressive action was impossible. The Hudson's Bay Company, on the contrary, while it may have assumed more rights than the king had given it, at least had the moral support and practical backing of the English government. This Company was often unscrupulous in its behavior, but it was strong and united and successful, and was certain to make serious inroads on the trade and power of the French in Canada.

Of all the kings of France, Louis XIV was perhaps the greatest and at the same time one of the most unscrupulous. His long reign, from 1643 to 1715,

Advantage  
of Hudson's  
Bay Traders.

The  
Danger of  
France.



saw France both at a high point of glory, and at a terribly low ebb of fortune. Like some other men concerned in French colonization, he was able to make great plans, but he could not carry them out. His dream was to make France the leader of the world at the expense of other nations, of England especially. But though he fought three great wars, he succeeded only in



A MAP OF NORTH AMERICA MADE ABOUT 1690.

Robert Morden was a famous English geographer who lived and worked in the second half of the seventeenth century. Although he knew as much as any man of his time about such matters, he knew nothing about the northwest coast of America.

injuring France, with the result that France to-day is one of the most backward of civilized nations. His army was the thing essential to success, and to recruit this and to pay its expenses he thought himself justified in draining New France of men and in taxing the colony to the limit of endurance. He did realize that the future of the world's growth lay in the West, not at home. Unfortunately Louis XIV was followed by a weak king and a less effective government. Louis XV, who ruled

from 1715 to 1774, was faced with the lack of men and money, and repeated the shortsighted action of his predecessor. How mortified he would have been, had he known that he was nothing but a pawn in the hands of William Pitt, who did realize the vast importance of New France to England, and who wished to weaken the power of France in America as



A MAP OF NORTH AMERICA MADE ABOUT 1798.

Lamarche had a habit of putting a band of color along the boundaries; the lack of such a band on the northwest coast indicates that he knew nothing about those regions. Notice the gain in knowledge in the century between Morden and Lamarche, and compare both maps with the modern map of North America.

much as possible, so that the armies of England should have little trouble in overthrowing the power of France in the New World. We have learned that Pitt's plan for the subjugation of New France was completely successful, and that by the treaty of 1763, France gave up nearly all her possessions on the continent of North America. Thus was ended the influence of the French fur trade on the history of our country.

**The Fur  
Trade of  
the West.**

About the time that the long struggle closed between France and Great Britain on the east coast of North America the activity of explorers in the northwest brought about a renewed interest in the fur trade. Beginning with the period of our Revolution, there came forward a new group of explorers, more interesting than the earlier ones, because they are more nearly our contemporaries, and because we know so much more about them. English, Spanish, and Russian explorers began almost simultaneously to arrive in this region, the Russians approaching it from the north, the Spanish from the south. To these nations the fur trade was the attraction. Of the three nations in question, England and Spain had the best claim to the trade, if claim it can be called, for Drake had (in the winter of 1578-9) sailed as far north as San Francisco, and one, perhaps two, Spaniards had at about the same time sailed further north than any other European power. It is interesting to remember that although Drake wished to plunder the Spaniards as much as possible, his chief reason for penetrating so far north was to find a direct passage through America to connect Europe and Asia by water. This passage was sought for commercial purposes, of course; for at that time commercial leadership of the world seemed to all men to be the key to political power.

**Search for  
the North-  
west  
Passage.**

If we think over the men who have explored the Americas, it will be seen that, even beginning with Columbus, the aim of a large proportion of the voyagers was to find this connecting passage. When we realize how scant was the geographical knowledge that Columbus had, it is evident that he was justified in thinking that he had reached the islands off the southeast coast of Asia, and it is not astonishing that he lived and died in this belief. If we compare the southeast coast of Asia and its islands with the cor-

responding coast and islands of North America, it is clear that there was some reason why numbers of maps were drawn showing no western continent. When the existence of such a body of land became known, however, Europeans found that they were just as far from Asia as ever, unless they could find some way through this unknown extent of land. Then came a long period, from 1497 to our own time, during which many men attempted to solve this geographical puzzle. Volumes might be written, filled with the romantic story of these attempts, from Henry Hudson, set adrift in the dreadful waters of Hudson's Bay, to Amundsen, passing through the Frozen Ocean with the ice pack. Almost all of these trials began at the eastern end of the desired passage.

In the course of the sixteenth century, a very curious myth sprang up of a strait connecting the western coast of North America with the waters of the interior, possibly Hudson's Bay. The story is best illustrated on the famous map made by Mercator in 1569, where the Straits of Anian are shown as extending from the Atlantic to the Pacific, with the intermediate section very vaguely drawn. All sorts of stories arose about this fabulous strait. Even its name is hidden in mystery, for no one knows its origin or its meaning. Occasionally a man was found who claimed to have been through it, and once a Dutch vessel returned to Europe, reporting that it had passed from the South Sea to Hudson's Bay through the Straits of Anian. This romantic story took a wonderful hold on the minds of the mercantile world as well as of the political world. In 1758, the British government struck a medal to commemorate the capture of Louisburg from the French, and on one side of the medal is to be seen a picture of the continent of North America, pierced from the western coast to the Great Lakes with the Straits of Anian.

Two hundred years after the time of Mercator's map, these straits took on a new importance; the spirit of imperialism was abroad not only in England, but in other countries as well. Russia was just awakening to the possibilities of her great realm, and was extending her power eastward. Between 1728 and 1741, a Dane in the Russian service, Vitus Bering, had found and explored the narrow bit of water between Asia and North America. Russian explorers pushed farther and farther down the northwest coast of our continent, trading with the Indians and holding the country for the Czar of Russia. Even the Spaniards in Mexico, rapidly losing power as they had been doing for nearly two centuries, seemed to feel a new stirring of life, and made a vigorous attempt to extend and strengthen their power northward along the Pacific coast.

Of all the countries that became interested in the undertaking, England was the most determined; it was plain that events on the west coast of North America were moving rapidly, and that the political control of this vast region would soon be settled. Captain James Cook, whose romantic story was the basis of *Cook's Voyages*, was sent out to find the Straits of Anian, if they existed, and to see whether there was a way around the northern end of the continent. He arrived on the northwest coast of our continent during the early part of the Revolution and sailed from what is now Vancouver Island up to Bering Strait, possibly beyond. He reported that those waters were almost alive with otter and seal, and that the Indians of the mainland had peltry in abundance and were willing to trade on terms almost as good as those Captain John Smith made for his famous copper kettle. Carrying out his instructions, on August 9, 1778, he rounded the northwest cape of North America, without finding any passage through the continent. On his way home, Cook was murdered by the natives of the

Sandwich Islands, and his expedition returned home by sailing westward.

The crew of the returning expedition, stopping at Canton with a few skins, found that they were able to sell for a hundred dollars, skins of the sea otter that had cost them less than twenty-five cents. This was enough to send traders by the hundred to our northwest coast. The first of these trading ships returned to China in 1785, with a cargo of five hundred and sixty sea-otter skins that sold for about seventy-five dollars apiece. Other fur-trading voyages followed quickly. One man records that the result of his winter trading was worth about twenty-five thousand dollars in Canton, while the cost of his trading goods had been about one seventy-fifth of that amount. Another trader records in his diary that in one inlet he bought furs to the value of fifteen thousand dollars for a chisel. It is no wonder that he was "grieved to leave them so soon." What would the result of such commerce naturally be? At first the political reasons for exploration would be lost sight of in the rush to secure the vast gains of the trade. Sooner or later the nations concerned would awake to the necessity of guarding their interests in that region and would see the vast advantage that actual possession would give the nation that could secure for itself the sole right of occupation.

A glance at the map of our northwestern coast will show that the most noticeable feature of the coast line is the great number of inlets that penetrate the country, very much as do the Norwegian fiords. On the western coast of Vancouver Island, about two thirds of the way toward the north, is one of these inlets, Nootka Sound. Partly by chance and partly on account of its central position, Nootka Sound became the headquarters of the group of traders

**Beginning  
of the  
Northwest  
Fur Trade.**

**The  
Contest for  
Possession.**

of all nations who flocked to the Pacific coast. Spain was the first country to see the importance of possessing Nootka Sound, and therefore occupied its shores during the summer of 1789, incidentally seizing two British ships. As a result, war was threatened between Spain and Great Britain, but late in 1790 the two governments came to terms, agreeing that the country north of California should be open to both English and Spanish for trade and settlement. This meant that Spain no longer claimed to be the sole owner of the coast from Mexico northward indefinitely, and the practical effect of the agreement was to throw the fur trade open to any nation. In 1789 began the terrible series of wars known as the wars of the French Revolution; although England was not directly interested in the beginning of these wars, she was dragged into the contest. As the situation became more and more critical England found herself so involved that she could pay little attention to what might be happening on the other side of the globe. When, after the close of the American Revolution, England tried to crush the commercial energies of the new American Republic, she made a very great mistake, for the restless energy of the Americans simply led them into new fields, farther from home and even more valuable than the smaller fields from which they had been shut out. Such results include the beginning of the China trade, the greater extension of the whaling industry, and a share in the northwest fur trade, which in the end made the Pacific coast south of the forty-ninth parallel a part of the United States.

**The  
Discovery  
of the  
Columbia  
River.**

Among famous American families of the Revolutionary period was the Ledyard family of Connecticut, one of whose members died heroically at the capture of Fort Griswold on the Connecticut shore, in the bitter struggle between Loyalist and Patriot. Another member of the family, an adventurer with a most



THE INTERIOR OF OLD FORT GRISWOLD.

When Arnold's marauding expedition burned New London and, crossing the Thames, attacked an unfinished fort, a New Jersey Tory commander showed the ferocity of sectional hatred by stabbing Colonel Ledyard as the patriot surrendered, driving the colonel's own sword through his breast. One picture shows a bird's-eye view of the still unfinished fort from the top of Groton Monument; the other shows the little slab within the fort, marking the spot of the crime.

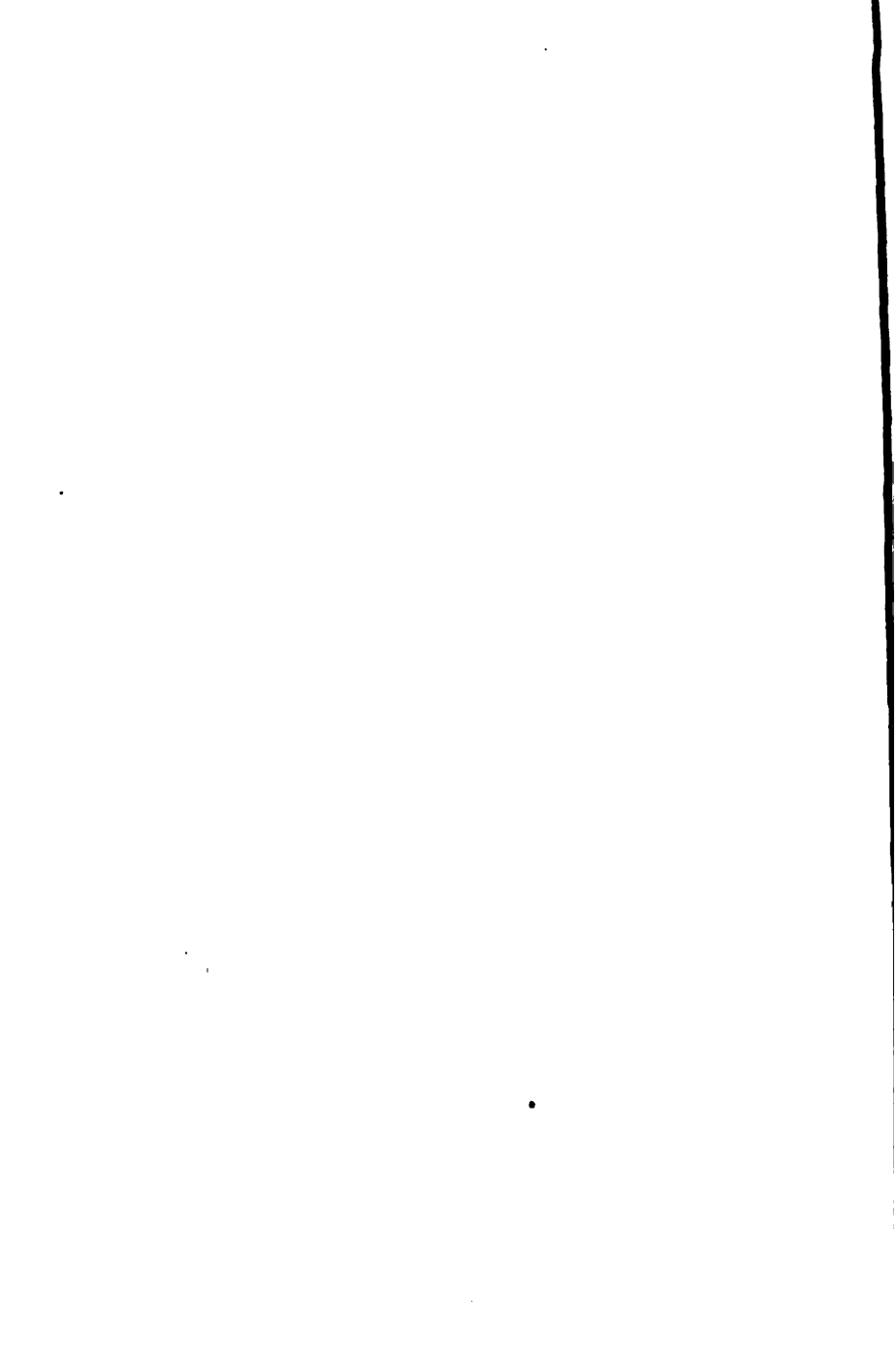


dramatic career, went with Cook on his last voyage. After returning to America, Ledyard tried to interest American merchants in the great possibilities of the Northwest, by describing what he had seen of the advantages of the region. Probably as a result of his activity, Boston merchants became interested in the fur trade of the Pacific coast, and in 1787 sent out two trading ships, one of which was commanded by Robert Gray. The success of these ships was remarkable, and within a very short time the eastern merchants had fitted out a large number of such expeditions. In one of these, this same Captain Gray made a discovery that was of the greatest political as well as commercial importance to the United States. In the summer of 1792, as he was sailing along the coast a little north of the forty-sixth parallel, he entered the mouth of a large river, called by him "Columbia's River," and sailed for about thirty miles up its course, trading with the Indians. This discovery was all the more fortunate since English and Spanish navigators had narrowly missed finding this river. Only two weeks before Gray discovered it, Vancouver had approached the mouth of the river and had concluded that it was nothing more than the mouth of an inlet, like hundreds to be found on that coast. So narrowly did the English fail to obtain by discovery a claim to the great river of the northwest!

**Americans  
in the Sea  
Trading.**

England had been for so many years occupied with the French wars that the United States had a fine chance to make the most of her advantage in the Pacific, and she did so as far as the ocean trade was concerned. American ships visited the coast and went up and down among the islands and inlets, trading with the Indians, taking the produce to China, where the furs were exchanged for silks, teas, and other oriental goods in demand in the United States. On Wednesday, May 3, 1815, the brig *Cossack*, 136 tons





burden, left Boston for "N. W. America." Four days after starting the captain wrote in his log, "Sunday May 7th 1815 This day Smart breezes from the Nothrd and Eastrd — Handled and Reefed as necessary found amongst a crew of 16 men but one Seaman Good Lord deliver us from Accidents." The log of the *Cossack* is somewhat monotonous, but sometimes things out of the ordinary happened. "June 10th, This Day Same as Yesterday. Caut Shark and plenty Boneters. Cours Made three Miles backwards. Latt. Obsrd 6° 3' N. Lon in 26° 50' W." June 18 she crossed the line. Sunday, July 2, "at 6 in the Afternoon ran in to the Harbour of Rio Janeiro and Anchord broke out the Cargo took out the Water from the Main hatch & stowd it forward and abaft Restowd the whole Cargo trimd the Ship 16 inches by the stern being no more than six before Ship two Seamen having none before, bot beef and vegetables pd \$112 for all Charges & Saild on Tuesday July 11th at 6 in the Morning with the land breeze and at 12 Meridn the Sugar loaf bore NNW 15 miles. God save the Commonwealth." Evidently his sailors were a poor lot, and he might have added something about his treatment by the Brazilians. September first the brig reached her farthest south, 58° 20', and commenced the long run northward, reaching the Sandwich Islands November 6, a little more than six months from the time she had started. Here they stayed nearly a month, refitting, doctoring up the crew, loading cartridges, molding bullets, overhauling the trading goods, and buying "Hoggs."

On New Year's Day, 1816, the *Cossack* dropped <sup>The</sup> her anchor near Cape Bald, and the real business <sup>Trading.</sup> of the voyage began. The events of the next eleven months would fill a book, and are exciting enough to satisfy the most romantic reader. Always on their guard, they traded as best they could, part of the crew standing with loaded muskets ready

to fire on the customers. Sometimes there was serious trouble in spite of these precautions. The worst that happened was the kidnapping of several of the crew, who were recovered in true Sherlock Holmes style. The captain and one other man seem to have done all the bargaining, but there were times when

*Journal of the Brig "Cossack"*  
*Wednesday*  
*Dec 16<sup>th</sup>*  
*1816*  
 In the morning the brig's paint  
 outside, in the afternoon del'd  
 the king two ninepound can-  
 nonades, and two small brass  
 one pounders, with shot &  
 kegg's powder, as no other  
 article in our possession would  
 purchase what was wanted  
 for the Brig's use, at 10 P.M.  
 with a gentle land breeze got  
 under way, stood out, W.S.W.  
 3 leagues at 12, stood to the N.W.

#### THE BITER BIT.

"Wednesday, Dec 16th, 1816. Blacking the bends, painting outside, in the afternoon del'd the king two ninepound cannonades, and two small brass one pounders, with shot & kegg's powder, as no other article in our possession would purchase what was wanted for the Brig's use, at 10 P.M. with a gentle land breeze got under way stood out, W.S.W. 3 leagues at 12, stood to the N.W."

From the log of the brig *Cossack*; the only instance the author has been able to find where a native was able to get the better of the white trader. The fruit, "hoggs," and water needed could not have cost ten dollars, while the property demanded in return cost at least \$250!

the men of the crew were allowed to trade on their own account. The voyage back to the Sandwich Islands began as soon as the trading season was over, and on January 12, 1817, they started for Canton, whence, after trading their furs for goods in demand at home, they set off for Boston via the Sandwich Islands and

the Horn. How much do you suppose they had to show for the three years thus spent?

They bought four kinds of skins: Sea otter, 1088; Sealskins, 663; Tails, 1304; Beaver and Land otter, 653. For these furs they paid these goods:—

**The Furs  
and the  
Goods.**

Blankets . . . . .	2238	Needles . . . . .	1510
Molasses (buckets) . . .	434	Thread (skeins) . . . .	534
Rice (boxes) . . . . .	376	Shot (small bags) . . .	795
Cloth (fathoms) . . . .	604	Brass rings (dozen) . .	48
Powder (boxes) . . . . .	213½	Biscuit . . . . .	247
Shot (bags) . . . . .	14¾	Gowns . . . . .	35
Muskets . . . . .	52	Coverlets . . . . .	5
Iron kettles . . . . .	28	Handkerchiefs . . . .	27
Axes . . . . .	116	Powder (pounds) . . . .	49
Hatchets . . . . .	43	Powder (papers) . . . .	47
Looking-glasses . . . .	407	Fishhooks (boxes) . . .	1
India cotton (pieces) . .	228	Fishlines . . . . .	10
Bread (barrels) . . . .	38	Knives . . . . .	22
Combs . . . . .	133	Pistols . . . . .	7
Flints . . . . .	1863	Rum (canteens) . . . .	4
Balls . . . . .	3691	Whisky (canteens) . . .	2
Vermilion (papers) . . .	378	All the old clothes on board	
Files . . . . .	32		

It appears that one sea otter was worth: 4 blankets, 1 ax, and one piece of cotton cloth: or, 1 box powder, 1 small bag shot, and 12 flints; or, 3 blankets, 1 looking-glass, 10 papers vermilion, and 3 flints. Since otter skins must have been worth at least \$100 apiece at Canton at that time, the profit was high. In *Two Years before the Mast* Dana says that on the California coast 300 per cent profit was the rule. After the selling of the furs in Canton, there were two more chances to make a profit. From the size of the eastern trade and the uniform prosperity of the voyages, we can see where the eastern

cities obtained a large part of the capital that went to start the first large manufacturing companies in the 1820's.

**Americans  
in the Land  
Trading.** The permanent occupation of the northwest land by settlement, however, Americans were very slow to take up. It is true, all over the world, that whenever any business offers unhealthily large profits, the slower and less promising but vastly more important issues must wait. As early as 1782, Thomas Jefferson was urging the importance of some move to Americanize the territory west of the Mississippi River, even as far as the Western Ocean; he saw that the existence of the union would be in danger as long as there was a foreign power holding land adjoining the United States on the west. It was twenty years before Jefferson had any opportunity to carry out his plans. When he became President, he was so impressed with the importance of knowing more about the western region that he planned an expedition to ascend the Missouri, cross the divide, and go down the Columbia to the sea. When his plans were almost completed, there came the chance to buy Louisiana, an opportunity that Jefferson was statesman enough to grasp, when a lesser man would have hesitated and lost the golden moment. With this doubly important reason for knowing what lay behind the unknown west, the Lewis and Clark expedition left St. Louis in the spring of 1804, made the round trip overland to the mouth of the Columbia in about two and one half years, proving that there was a practicable road by land from east to west, and bringing back accurate reports of the attractive nature of the new lands and the region west of the Rockies. While the Americans made no attempt to develop the fur trade on land, the English had two companies in the field, the Hudson's Bay Company and the Western Fur Company, both well managed, and with an enormous amount of capital. So it must be said that while the Americans

were the first to explore the Columbia River from both ends, the British were the first to occupy the territory.

It must not be thought that we allowed so fine a chance to escape through carelessness, but the population of the country was still small, and the energy of the people was only sufficient to take care of their great territories near home. Of the small number of real attempts at an organized fur trade the most important was that of John Jacob Astor of New York. Mr. Astor had not been very successful when the War of 1812 put a stop to his activities, and his plant was sold out to British interests.

Two Englishmen, MacKenzie and Fraser, had added much to the strength of the British companies by their explorations to the north of Puget Sound, and until the Convention of 1818 it seemed that England might, after all, get the full control of the Northwest. The northern boundary of Louisiana was the forty-ninth parallel to the water parting of the Rockies, and the government of the United States was willing to continue the same boundary west to the sea, but the English insisted that the Columbia River should be the dividing line. In the Convention of 1818 the question was left open, and it was provided that the people of either country should have equal rights of every sort in the Oregon country for a period of ten years. This policy of joint occupation did not work well; the two British companies continued to have full control of matters on the mainland, and the few Americans there were really dependent on English protection. In the east, however, there was a slowly growing party that realized the importance of using every advantage offered under the Convention of 1818, and this group of men did much toward awakening public interest in this new region. In 1827 it was decided, much to the advantage of the Americans, that the joint occupation agreement should continue indefinitely.

Early  
American  
Attempts.



**The  
American  
Advantage.**

It will be remembered that when discussing the French and English competition for possession of the eastern section of the continent, we found that the victory of the English was largely due to the fact that they occupied and developed the land, while the French merely stripped it of fur-bearing animals. It looks very much as though Providence had reserved new lands for those people who were the most likely to make good use of them. The two English companies were well planned to get full benefit from the fur trade, but they could do little toward settling and civilizing the fertile valleys. The Indians of that region were slowly being driven back by the white man, the country was gradually being stripped of its fur-bearing animals, and the English companies could return nothing to the country to take the place of what they were taking.

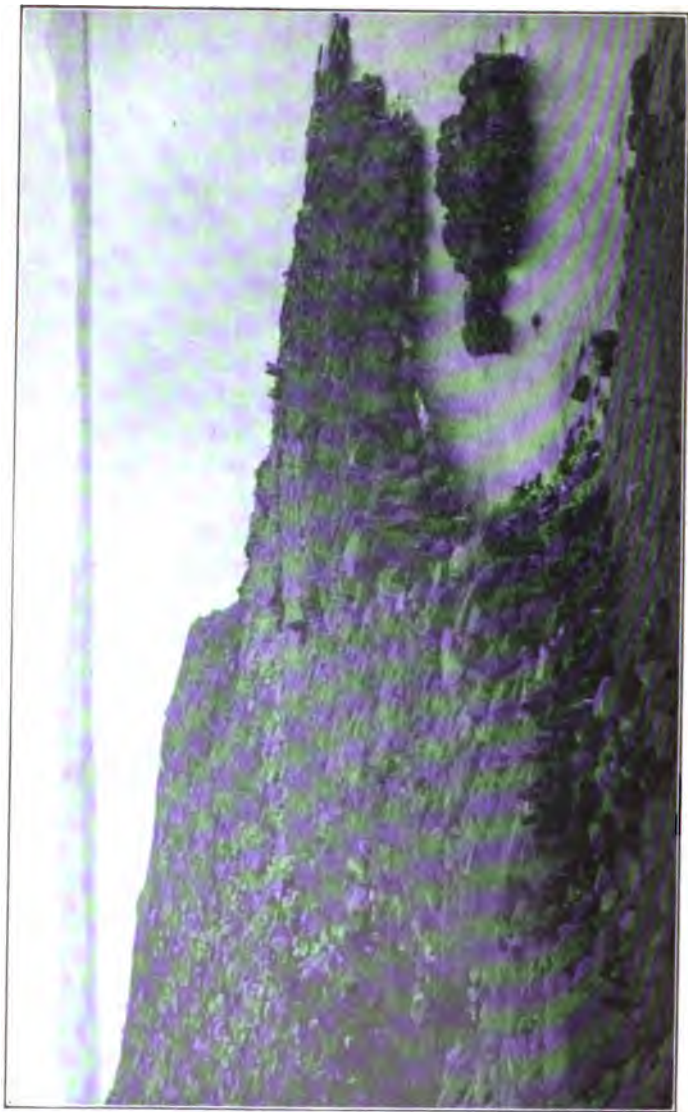
The great opportunity for America lay in the gradual settlement of the "Oregon country"; farmers and cattle raisers, lumber men and miners, all found here a splendid field for their industries. Hence, when in 1827 the joint occupation agreement was continued indefinitely, it meant that the American element in the region would steadily become stronger, while the British element would only diminish in influence. The great migration was delayed until 1843, but within a few years the number of pioneers rose to thousands annually, while the rush to the mines in 1849 and after made American occupation of the country complete. Before this time, however, in June, 1846, the joint occupation agreement was ended by treaty, and the forty-ninth parallel was designated as the international boundary. This gave to the United States a region one third larger than the British Isles; to be sure, it had lost much of its value as a fur-producing country, but its other resources promised to be far more valuable.

As early as 1821 there had been friction between the United States and Russia over the question of the fur trade of Alaska, and in 1824 they had come to an agreement on one point at least. Russia agreed to consider the parallel of fifty-four degrees and forty minutes as her southern limit on the northwest coast of North America. The relations of the three nations in the Alaskan region were friendly in the main, for the Russian traders were so far from home that they could not afford to quarrel either with John Bull or with Brother Jonathan. The small disputes that did arise were supposed to be settled by the purchase of Alaska by the United States in 1867. As a matter of fact, however, the United States simply fell heir to difficulties over the fur trade, serious enough to bring us into grave danger of conflict with Great Britain on more than one occasion.

The fur seal of the northern Pacific Ocean is an entirely different sort of creature from the southern seal, and has different habits. Its fur is very valuable, and compared to other varieties of fur, it is cheaply and easily obtained. The seals have their summer headquarters on certain islands in Bering Sea, and on the approach of cold weather they leave the land and go south in a leisurely fashion, describing a long curve toward the east or west, bringing up again at their island the next spring. During their stay on the island the females leave the shore every day to look for food, and are sometimes obliged to go two hundred miles out to sea to find the food that they need. When Russia owned all the islands, and for a time after the purchase of part of the islands by the United States, only a part of the young males were killed each year, and great care was exercised to prevent any decrease in the size of the herds. In time the great profits of the traffic attracted men who had no right to kill seals on the islands, and they found

The  
Purchase  
of Alaska.

The Fur  
Seal.



**A TYPICAL ROOKERY ON THE PRIBILOF ISLANDS EARLY IN THE BREEDING SEASON.**

The large seals are the males.

that they could kill many seals outside the three-mile limit without trespassing on the land. This "pelagic sealing" was terribly destructive to the herd, for many females were killed, and this meant a very rapid loss in numbers. The attention of our government was called to the rapid disappearance of the fur seals, and plans were made to avoid the mistake of exterminating them. When the government determined to stop pelagic sealing, it found that there were many Canadian vessels in the business, and England set up the claim that any one had a right to take seals on the high seas, and denied the right of the United States to interfere with the Canadian sealers.

In 1821 the Czar of Russia issued a decree, setting up the claim that all the north Pacific, from Bering Straits to a line drawn from 45° north latitude on the Asiatic shore to 54° 40' on the American shore was a "closed sea," *i.e.* that all that water, with everything in it, was the property of Russia, and that no one could so much as go into those seas without trespassing. Europe and America protested against such a claim, for the southern line was four thousand miles long, and such a claim of ownership of the high seas was entirely opposed to the law of nations. The Czar did not press the matter, and allowed his claims to drop, but the wording of the later agreement, that of 1867, was so vague that it was not clear whether or not the United States really owned the waters of Bering Sea.

Was Bering  
Sea Closed  
or Open?

Little was said about the matter until the government, in its attempt to stop pelagic sealing, claimed that we did own our portion of Bering Sea, that the fur seals that resorted to the islands therein were our property, and that we could stop others from taking the seals, no matter where the seals might go. Accordingly in 1886 a United States revenue cutter seized three British ships engaged in pelagic sealing. This brought the

matter to a crisis; the question must be settled peaceably in some way, or the two countries must decide it by war. Arbitration offered a remedy, and in 1893 a court of arbitration met in Paris. As a result of its long and painstaking deliberations, the claim of the United States was declared to be unfair on every point. It was decided that the fur seal was a wild animal, and belonged to any one who might capture it, and on the high seas any one might do this. Since 1893 many scientists, notably David Starr Jordan, have examined the situation and have shown the serious danger of the entire loss of the seals, but in spite of all the efforts of our government, at the end of the century Great Britain had blocked every effort to come to an agreement.

Since 1900 England has come around to our view that pelagic sealing has nearly exterminated the seals, but the problem is still very puzzling. Unless some agreement more effective than the present one is presently accomplished, the fur seal will soon be a thing of the past and will join the ranks of animals that have been exterminated by the greed and folly of man.

So we see that from the beginning of our history the fur trade has played a very prominent part in the development of the country. It put wealth into our pockets when we were in great need of money, it led us farther and sooner afield than we would otherwise have gone. It was the pioneer industry. With the shortsightedness of children, we have wasted this great gift of Providence, adding one more to the list of natural resources gone from us.

## CHAPTER V

### THE DOMESTIC PROBLEM

THE European settlers in North America found a world very different from their old home. Instead of the lack of many things necessary to life, they found a great abundance of all things from which prosperity may arise. Their great trouble, however, was a lack of men to labor. WORK seemed to be the watchword of the new country; not only did the necessity for laboring exist, but the social ban attached to laboring with the hands that existed in Europe did not have much hold on the life of the early colonists. In England the word "nobility" implied the ownership of land; the owner of the land might rent it out to others who must work it with their hands, and it was only in this way that the owner could get any return from his lands. An Englishman of rank would have thought himself degraded if he had been forced to work as a laborer. His life was at the disposal of his king if the wars of the country needed it, but the old motto "noblesse oblige" made a nobleman a rather useless part of the productive community when there were no wars. As wars grew less frequent, the Englishman learned in time that there were other ways in which he could be exceedingly useful to king and country. It was a most fortunate thing for the colonies that so large a proportion of their settlers came from the middle and lower classes, from among men who thought it a disgrace and even a sin not to work.

For example, the people of New England had the Calvinistic way of estimating idleness, or, to call it by another name, un-

**Calvinism in New England.** productiveness. Idleness was Satan's opportunity; therefore it was only right that church members should reason with the weaker brethren who, by their idleness, gave Satan the chance to tempt them. Since crime and idleness went hand in hand, it was only proper that the community should have the right not only to punish crime, but to punish the very beginning of crime. Hence, to the civil law in the colonies, laziness was a crime. Five years after Boston was founded, one of the courts of the colony passed the following order: "It is further ordered that noe person howse houlder or other, shall spend his time idely, or unprofitably under paine of such punishment as the Court shall thinke meete to inflicte & for this end it is ordered that the Constable of every place shall use spetiall care & diligence to take knowledge of such offenders in this kinde, espetially of comon coasters unprofitable fowlers & Tobacco takers & to present the same to the 2 nexte assistants, whoe shall have power to heare & determine the cause, or if the matter be of importance to transferr it to the Court." The records of this court are full of references to the punishment of persons who were "idle and unprofitable."

**The Need of Laborers.** In a world so full of opportunities the hands of the settlers were all too few for the task before them; so we find that one of the first complaints of the new country was a scarcity of good servants, and one of the first things sought was a supply of cheaply paid labor. Among the first learned Europeans to come to the New World to live was a good clergyman, Jonas Michaëlius, who came over in 1628 to take charge of the church in New Amsterdam. His letters home were full of complaints, among which may be noted a reference to certain hard treatment endured at the hands "van eenen seer snooden ende godloosen Cock" (of a very wicked and ungodly cook)! He also mentioned the fact that in the

New York of 1628 it was very difficult to obtain fresh milk and butter, and that it was almost impossible to hire help. The first answer to the demand, in point of time, was supplied in 1619, when a Dutch ship disposed of a few surplus slaves to the planters of Virginia. Toward the end of the next year the men of England who came to Plymouth brought with them "bond-servants," or servants who were bound by a legal agreement to work for a term of years under certain conditions. It is an odd fact that these two great systems of labor should have been established in the New World by Europeans at so nearly the same time.

Of the two, servant or slave, the servant's lot was infinitely preferable. He was usually known as an indentured or indented servant, from the manner in which the contract binding him to service was written out. It was usually written in duplicate on a large sheet, and the halves separated by a wavy or jagged cut, called an indent; from the appearance of the contract, then, came the common name of this class of servant. The great difference between the slave and the servant lay in the fact that the slave was bound for life, with no contract to protect his rights, for he really had none to be defended, while the servant was bound only for a term of years, and had certain very well-defined rights, with stated penalties to be inflicted on those masters who did not observe these rights. The humanity of the master was the slave's only protection. The owner of the servant's time must, however, obey the law, and, in addition, must avoid the reputation of being a cruel master, lest he have difficulty in engaging the best and most desirable servants.

One of the most unpleasant phases of the life in Old England three or four centuries ago was the way in which the laboring classes were treated, especially when they were out of work. England was divided

**Difference  
in Meaning  
of "Ser-  
vant" and  
"Slave."**

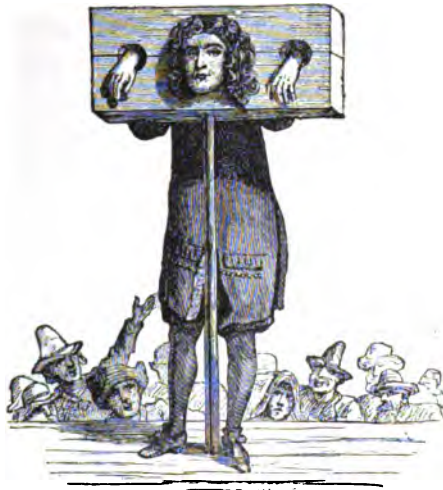
**Hard Times  
in Old  
England.**





into small local divisions known as "parishes." We might say that the lands occupied by the people who supported any important church made up a parish, and since, from the very beginning of the Christian church, the care of the poor had been the duty of all Christians, the care of the poor came to be considered the duty of the parish rather than of any other local subdivision of government. It was

undoubtedly a very good thing to have a large and carefully organized institution look after the needy classes; trouble arose when each parish became selfishly averse to caring for poor people who really belonged in other parishes. On the assumption, then, that no people but the lower classes were likely ever to "come on the parish," laws were made in England, long before the settlement



A "MILD PUNISHMENT."

A sentence of two hours in the pillory must have been very severe. In addition to the physical torture, the criminal was the target for such missiles as happened to be handy.

of the New World, forbidding persons of that class to move from one parish to another as freely as would seem right to us. As we to-day study those times, it appears to us that "hard times" came then much more frequently than now, and that there were many more persons always on the verge of starvation than we now find. There were many laws restricting a man's right to engage in any trade he pleased.

These laws made it impossible for a skilled workman to get employment outside his own line, no matter how badly he might be in need of work. Crime was punished with the utmost severity, too, and there were over three hundred crimes punishable by death. Theft of property to the value of more than six shillings (or two shillings, in some places) brought the death penalty, no matter what the provocation might have been, while lesser crimes were cruelly punished. The result of such savage laws was the execution of many a destitute man who had taken to theft in desperation to provide food for his family.

**Transporta-  
tion of  
Debtors.**

In the course of the seventeenth and eighteenth centuries in England public opinion on these matters underwent a change. It became evident that the community was robbing itself of many a valuable life by the merciless execution of an unjust law that might once have been valuable, but was no longer needed. The people of the colonies or "plantations," as they were always called in England, were greatly in need of help to develop their natural resources, while so many people of England were in great distress from lack of work. The rich dreaded the great expense of enforcing their "poor laws," and the poor found little but hardship in life. Now the people of England have a very great respect for the way in which things have always been done, or, as we say, they are very conservative, and dislike to repeal any law that has stood for a long time on their statute books. They very much prefer to alter the manner of enforcing the law when the public opinion of the time is evidently against the spirit of it. So in order to show mercy to a man arrested for stealing, the prisoner was charged with having stolen property to the value of five shillings eleven pence; then the judge could sentence him to transportation, and a strong man, who probably was not a criminal by instinct, was saved to perform for the country valuable service

in the colonies. Debtors were usually imprisoned until their debts were paid, a system that does not seem wise to us at all; many of these men were the victims of misfortune, and not criminals, in our sense of the word, yet under the law of the time they were treated as criminals. Here again humanity suggested transportation to the colonies. Many men who lacked industry or settled habits, or who were prone to wander in defiance of the law, but who had not committed any crime, were classed as "sturdy beggars"; these also might be sentenced to transportation to the plantations. On the other hand, many men who had made a failure of life in England voluntarily sold to the captain of some ship the right to rent their services in the colonies for a period long enough to pay the expenses of the voyage.

This explains in a general way the manner in which the supply of servants was obtained. The cost of passage was considerably more than the steerage rates now, and a term of service of perhaps six to eight years was needed to pay the expense. Criminals were often sentenced to seven years, while, as time went on, the terms of those sold fell as low as four years. As the custom of buying indentured servants spread over the plantations, the demand for them led to great abuses in England. Kidnapping men in the seaport towns for the plantation trade became a business, for good money was to be made by the sale of such men. The kidnappers often agreed to cause certain persons to "disappear," for a large price, of course, for there was always the risk that some one might invoke the laws against "man stealing" that were in existence, but seldom used. It may be guessed that most of the servants were extremely unskilled, that many of them were entirely unsuitable for the new country, and that the manners and morals of others caused our forefathers much anxiety. A moment's thought will show that out of such a

**The  
Character  
of the  
Servants.**

miscellaneous lot as the servants were, there must have been many who belonged to the "habitual criminal" class. Yet the great majority of them came over with the intention of



**UN** away, the 23d of this  
*Instant January, from Silas Griffin of  
 Burlington, Taylor, a Servant Man na-  
 med Joseph Morris, by Trade a Taylor,  
 aged about 22 Years, of a middle Sta-  
 ture, swarthy Complexion, light gray  
 Eyes, his Hair clipp'd off, mark'd with  
 a large pit of the Small Pox on one  
 Cheek near his Eye, had on when he  
 went away a good Felt Hat, a yellowish  
 Drugget Coat with Pleits behind, an old  
 Ozenbrigs Vest, two Ozenbrigs Shirts, a pair of Leather  
 Breeches handsomely worm'd and flower'd up the Knees,  
 yarn Stockings and good round toe'd Shoes Took with  
 him a large pair of Sheers crack'd in one of the Bows, &  
 mark'd with the Word [Scow]. Whoever takes up the  
 said Servant, and secures him so that his Master may have  
 him again, shall have *Three Pounds* Reward besides reason-  
 able Charges, paid by me *Silas Griffin.**

*From a Philadelphia newspaper*

#### AN EIGHTEENTH-CENTURY ADVERTISEMENT.

Colonial newspapers abound in such advertisements as this. The proportion of servants that ran away was probably very small, for most of them were anxious to rise, and ambition suggested good behavior as the best way to gain the good will of the neighborhood.

serving their time as bond servants, and then starting in life for themselves.

We must not forget that Europe of the seven-  
 Social  
 Possibilities  
 for the Am-  
 bitious  
 Commoner.   
 tenth century, and for a long time thereafter, was  
 a land where social and class distinctions were all-  
 powerful. There was almost no chance for the man  
 of low social class to rise, and ambition in a com-  
 moner was a crime rather than a virtue. The symbol of social  
 rank was still the old feudal idea of landownership, and for the

man of low degree to own land was a "consummation devoutly to be wished," but almost impossible of accomplishment. "Family" was the leading influence, as it still is in many parts of Europe. In the New World land as a proof of social standing lost its meaning, for there was more land than anything else, and the possession of a strong back and strong hands and arms was of more importance than a long line of noble ancestors. Hence from the very beginning, America has been known in Europe as the land in which a poor man has the best opportunity. The ambitious young man of the seventeenth century might lack money and position, but if he could sell his services temporarily, and thus get the necessary start in life, he could in time become the "founder of a family." Many a family of revolutionary days traced its origin to a servant ancestor of the previous century.

The history of England in the seventeenth century tells of greater changes and promises greater growth than does any other century of English history. But the wonderful changes brought forth by the seventeenth century affected only the better classes.

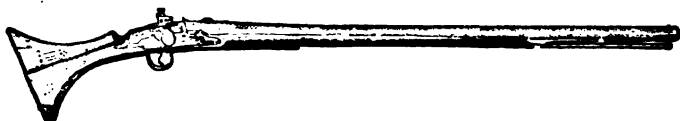
**England's  
Poor in  
the Seven-  
teenth  
Century.**

The condition of England's poor was worse at the end of the century than it had been at the beginning, for while wages were larger by a third, the prices of the necessities of life had doubled; the poor laws had been made harsher, and their execution was very severe. If we put ourselves in the place of the poor of three centuries ago, we may see how vividly America must have seemed to them a land of promise. That they did come over in large numbers may be shown by a single set of figures from the history of one colony. In Virginia, in the year 1675, there were about six thousand servants, and probably ten thousand persons who had come over as servants, but who had set up for themselves as soon as their terms of service were over.

Very few of these men were of what we would call the criminal class, for the protests of colonial authorities and the refusal of colonists to buy such servants put a stop to the sale of criminals. It is true that many were sentenced to transportation, but they formed a small proportion to the whole number of servants.

**By Con-  
trast,  
Servants on  
the Planta-  
tions Well  
off.**

The rights of the servant class were carefully protected, and a feeling of self-interest made masters treat their servants as leniently as possible, especially after the custom arose of giving servants a fortnight in which to find purchasers for themselves. During the term of service, the master was bound to provide food, clothing, and shelter, with such other



AN EIGHTEENTH-CENTURY FLINTLOCK.

For nearly two centuries the flint lock was the weapon with which the great European wars were fought, and with which our ancestors subdued the American wilderness.

things as might be necessary, and at the end of the term he was obliged by law to give his servant a partial outfit. The custom in the various colonies did not agree on this point, but it may be said in general that the master gave his servant two complete suits of clothes, and food enough for a year. Sometimes 50 acres of land, a certain amount of money, and a musket with ammunition were included. However, there was much latitude allowed in making contracts (indentures), and masters often promised to give their servants much more than the law demanded, in order to stimulate the servant to greater industry. Servants were allowed to own property, and there were often cases where a servant was able to buy the last part of

his time from his master with what he had accumulated. During the first century of American colonization many thousand servants were brought over, but early in the eighteenth century the number began to decrease, and before the Revolutionary War broke out the importation of servants had ceased entirely. After the war "redemptioners" formed a very considerable class.

There were many servants in the colonies who were not white Europeans; Indians, Africans, Turks, and Algerians were held as servants under different conditions, for the colonists made a distinction between servants who were "white-skinned Christians" and those who belonged to some other portion of the human race. In addition to these non-Christian servants there were the slaves. This brings us to one of the most famous dates in American history, 1619, the fatal year in which a Dutch captain sailed up the James River and sold to the English planters a few African slaves. The importance of this lies in the fact that at the very beginning the essential difference between slave and servant was brought out; the servant was in subjection for a limited time and had many well-defined and protected rights, while the slave was in servitude for life, and had few or no rights that his owner was bound to respect. Slaves were not popular in Virginia at the beginning; they were even more uncivilized than the Indians, and were hard to tame and train, while the servants were for the most part easy to get along with. Since the contrast between the two classes was so great, it is not to be wondered at that the number of slaves increased very slowly. For at least fifty years the number of slaves was a very small fraction of the number of servants. The reason for this we must look into a little farther.

Slaves and  
Servants  
other than  
"White-  
skinned  
Christians."



**Why  
Slavery  
is an  
Economic  
Mistake.**

It is difficult for a free man to realize what the life of a slave must be: no hope for freedom, ambition a crime, nothing to gain by good conduct or hard labor, no share in the profits of his toil. This means that the slave will work no harder than is necessary to avoid being in his master's bad books. Slavery as an institution has existed throughout the history of man, and it has had these same hard characteristics through the ages, with varying degrees of severity. It took the world many centuries to learn that slavery was a great mistake from an economic standpoint. That it was a very expensive form of labor we have many proofs. As a rule, only one crop could be raised under slave labor, and that one was the crop that could be produced with the rudest form of cultivation. The crop varied in different regions as climate and soil varied, but in every case there was great danger, for a "one-crop country" is ruined if anything happens to its one product. It is the old story of putting all one's eggs in the same basket. No slave, however skillful, would do as much work or do it as well as would a free man, who knew that if he did not do his work well, some other man would get his place. One of the best illustrations of the economic mistake of slavery is to be found in our own country just before the Civil War.

**Slave Labor  
Expensive.**

In 1855, for example, a good field hand cost from eight hundred dollars up. Every plantation contained many slaves who could not do the work required under the "one-crop system." Slave owners reckoned that about two thirds of the slaves must be considered non-productive, the old men, the children, and many of the women making up this proportion. Slaves were much more likely to be ill than free laborers were, and "soldiering" was common. A slave owner could therefore count on only one third of his capital as being

productive of results. It cost the owner about forty dollars a year to provide for each of his slaves food and shelter, clothing and medical attention. Moreover, the value of his capital was constantly diminishing; if a slave remained in first-class condition for ten years, his master was fortunate. Slaves were destructive of the tools and animals that they used. A northern hoe, weighing only a little over a pound, carefully proportioned and finely finished, was a failure in the hands of the slave, and he quickly ruined it. The hoe used by the slaves was almost the same in design as that used in Africa. He used to best advantage a crude instrument weighing ten pounds, with a rough hickory handle. The southern slave never brought the back and arm muscles into activity, as the northern farm laborer was expected to do. His idea of hoeing was to raise the hoe in the air and let it drop, the momentum of the hoe doing the work. Yet in 1855, when a southern slave owner hired out his "hands" for agricultural work, he received twelve dollars a month for their work, while in New York one could hire much better free farm laborers for ten dollars a month and board, the laborer clothing himself and bearing the expense of his illnesses. It will be seen by this comparison that really slave labor was far more expensive than free labor.

By the time Columbus discovered the New World western Europe had learned the lesson pretty well, that the cheapest labor is the most expensive. This does not mean that all people knew it, but that the leaders in social and commercial life recognized the fact from their own experience with slavery. We have now to see how the same process was repeated in America.

**Europe  
learned  
the Lesson.**

We know that the first use of slaves in the United States was in the tobacco fields of Virginia. They were not a pronounced success, for the tobacco

**The Slave  
in the  
Tobacco  
Field.**

plant required tender care from the very first processes of planting and transplanting to the final packing in casks for shipment to England. Much judgment and great care must be exercised in order to keep from damaging the product, and a damaged crop was worth almost nothing. Considering all the risks of the crop, it is not strange that the margin between profit and loss was very narrow, and it is equally plain that so careless and slothful a laborer as the slave would not be practicable, except under the very best conditions. The best conditions existed in the early history of the colony, when there was an abundance of fertile land that needed no fertilizing. But tobacco is an exhausting crop, and it is unfortunately true that under slave conditions no crop can be raised that requires careful fertilizing and intensive agricultural methods. In early times in Virginia land was so cheap that it was a simple matter to abandon one's land and to move a little farther on, where the same process of first exhausting the new soil and then moving on again was repeated. However, at the time of the Revolutionary War the land in Virginia was so far exhausted that the leading men of that state, such men as Washington, Jefferson, Mason, and Randolph, looked on slavery as a dying institution.

**Slave Labor  
and Various  
Crops in the  
Carolinas.**

In the colonies south of Virginia different crops were raised. In North Carolina the production of naval stores was the great industry. Like tobacco raising, this was a wasteful industry at best, leaving the ground in an almost barren condition, but when carried on under slave conditions, it was far more wasteful than was necessary. It was not as easy to supervise the gathering of the sap of the pitch pine as it was to watch the raising of field crops, and the naturally lazy slave had a better chance to neglect this work.

In South Carolina the two great crops before 1789 were rice

and indigo. The former was raised along a narrow belt of land on the coast, above salt water, yet low enough downstream to get the fresh water backed up by the rising of the tide. This, unfortunately, was the most unhealthful part of the whole region; so bad, in fact, that the whites were practically obliged to abandon it for the three hottest months of the year. It goes without saying that the loss of slaves under such conditions was great, although the slaves were not as



A SOUTH CAROLINA RICE SWAMP.

Compare rice culture in the Philippines, in Japan, in China and in the East Indies with the processes used in the United States.

badly affected by the climate as were their owners. About 1790 Thomas Jefferson introduced the use of upland rice, an improvement that worked a change for the better in the life of the South.

The production of indigo was a more delicate process even than the preparation of tobacco. The raising of the plant was not very difficult, but in the process of extracting the coloring matter there was need of the most untiring attention and of the greatest experience and judgment. The least carelessness made the product off-color and unsalable. Slave labor was not

adapted to such an industry, even under otherwise favorable conditions. Unfortunately for the industry, just after the Revolutionary War an insect pest made its appearance in the fields, and caused such havoc that the profits of the crop were lost. The third great southern crop was cotton, but the history of that industry is a topic to be treated at length.

**Slaves and  
Cotton.**

With the first settlements in Virginia and the Carolinas the culture of cotton had been attempted, in common with a good many other things, for the projectors of those colonies had no idea of a "one-crop system" such as slavery afterwards made inevitable, and wished the colonists to provide a great variety of commodities for the export trade. But in both cases crops were found so profitable that the plantation owners turned their attention to them entirely, tobacco in Virginia and rice in South Carolina. There were several other reasons why cotton was not cultivated as much as other crops. There was the necessity of creating a demand for the product, the difficulty of overcoming governmental opposition, and the hostility of the great moneyed interests of England. One of the most important reasons for the very limited cultivation of cotton was the difficult process necessary to prepare cotton for the market after it was gathered. When the cotton is ready to be picked, the "bolls" or pods break open and the cotton appears in a beautiful fluffy mass that seems to consist of a great many little balls of cotton, each with a hard center. This hard center is the seed, and the separation of the seeds from the fiber was, in the days before the invention of the cotton gin, a long task, monotonous, and much disliked by the slaves, hence sure to be badly done. It was then necessary to compress it into a bale of convenient size and weight before it could be exported.

The preparation of cotton for the market was, under slave

conditions, so expensive a process that naturally there was very little cotton cultivated, and that little under the cheapest possible conditions of production. This was a repetition of the wasteful process of exhausting the soil, as we saw in the case of Virginia, and was due to the large supply of good land and to the ease and cheapness with which it could be taken up. However, cotton did not exhaust the land nearly as fast as tobacco, nor was it so delicate a crop; hence it was much better suited to the conditions of slave labor than was tobacco. Except for the prohibitive expense of the cleaning process, cotton would have been the leading crop of the South long before the breaking out of the Revolutionary War. The industry had to wait until the invention of a machine able to do the work of cleaning quickly, cheaply, and thoroughly, before it could become of any importance.

We have seen that down to 1775 slavery in the South had never been much of a success, yet in spite of that, it had in a way fastened itself on that part of the country, and it was no easier to get rid of it than it is for a person to rid himself of a bad habit.

**Why the South did not rid itself of Slavery.**

Most of the slaveholders had a large proportion of their capital invested in their slaves, and very little of it in land, and they found themselves tied to a system of agriculture from which it seemed impossible to get away. The process of the natural disappearance of slavery to which the leaders looked forward was necessarily very slow. Then came the Revolutionary War, with its "dislocation of industry," but more especially its dislocation of commerce. The southern part of our country has always been too dependent on the manufactured products of other parts of the world, and the war probably had a more deadening effect on the South than on the more energetic North. Then the slaves had to be reckoned with, whether sla-

very was profitable or not, and when the plans for the new and stronger government of the United States were being made, there arose the embarrassing question as to what was the legal status of the slaves. Never before in the history of the country had it been found necessary to come to any definite agreement on this delicate question, and it proved a most vexatious one.

**What was a** No one could tell exactly what a slave was in  
**"Slave"?** a legal sense; was the slave a person? If he was, how could he also be property? As he certainly was held to be property, how could he be a person? It was a most embarrassing question to handle because so much depended on the way in which it was answered. The country was too young to have any court decisions of its own to help it in settling the matter; the makers of the Constitution must do the best they could and trust that the future would show that they had acted wisely. If the slave was property, he was capable of being taxed, but if he were property, could he be represented in Congress? When in 1787 the delegates to the Constitutional Convention came to discuss this part of the question, they immediately took sides on two issues. Those from eight states that were then or would soon become free states opposed those from five states that would probably remain slave states. These five were Virginia, North and South Carolina, Georgia, and Florida.

There was also a division into smaller and larger states, the former very jealous of the latter. In 1787 the largest state was Virginia, with a total population of a little over half a million, of which more than half were negroes, while the next two states in point of population were Pennsylvania and Massachusetts, which together had about seven hundred thousand persons. The small states realized that the large states would get all the power if the representation was based on population. The slave states had the same fear of the free states, for the latter

had one sixth more people than the slave states, counting all inhabitants without distinction as to color. If the South counted out its slaves, the North contained a third more persons than did the South! How, then, could the South hope for power when hopelessly outvoted by the North? As far as the small states were concerned, they could do little against the large states, except block legislation started by the large states. All men felt a closer union to be all-important, for although each party felt strongly the righteousness of its own cause, each wanted union badly enough to be willing to give in a little to the other. So both of these questions were compromised. The question of representation was settled by deciding that of the two branches of the national congress, the upper house should represent the states regardless of their size, while the lower should represent the people of the states, each state having representatives in proportion to its population. But it was not so easy to compromise the question of slavery.

In the American mind representation and taxation went together; if the South wished a larger proportionate representation, it must submit to a larger taxation. Part of the difficulty was settled by an agreement known as the "federal ratio," in accordance with which three fifths of the slaves were to be counted as white persons in reckoning the number of representatives that each state was entitled to receive. It is an interesting fact that in no place does the Constitution of the United States mention the word "slave," but refers to that class as "any other persons." The rest of the vexed question had to do with the slave trade.

The southern planter usually found that all his capital was required for the keeping up of his plantation, and the constant restocking of slaves left him with little surplus for any outside trading. The

**Slavery  
in the  
Constitution.**

**Who was  
Responsible  
for the  
Slave  
Trade?**



business of buying slaves required much capital, for there was no credit system on the African shore. Here the good people of New England found profitable use for some of their capital, for the profits were indeed very large. It cost not more than fifty dollars to deliver a slave at Charleston, South Carolina, and the selling price in 1800 was about four times that figure. There were few kinds of business in which so large a return on the capital was to be obtained. Since the slave-importing trade required ready capital, and since the North was the only part of the country having capital to spare, the moral responsibility of the slave trade must be laid at the door of the people of New England.

**They saw  
Nothing  
Wrong in  
It.** Of the wealthy men who furnished capital for the slave trade one of the best known was Mr. Peter Faneuil, who lived in Boston during the early part of the eighteenth century. He was of that Huguenot descent that gave Paul Revere and many another man of worth to the country. Of the many kinds of commerce that brought profits to him one was the slave trade. His ships carried to the African shore the rum distilled from West Indian molasses, and it was there exchanged for the gold dust and negroes of the Gold Coast. For the slaves the voyage to the New World must have been a terrible change from the wild, free life of their African home, although the officers of the ship did all in their power to land their human cargo in the best possible condition. If a large number died on the voyage, the profits of all concerned were very much lessened, and if, when the ship reached the West Indies, the cargo contained many sickly looking negroes, enfeebled by harsh treatment or disease, the whole cargo was likely to sell for a lower average price. So the economical custom arose of sorting out all the sickly slaves during the last days of the voyage, and throwing

them overboard as they covered the last miles of the "Middle Passage." The best excuse that can be given for the New England capitalists who financed the slave trade is that they never saw the actual operation of their money-making scheme, and did not realize the full horror of it. So Peter Faneuil sent out his *Jolly Bachelor*, never the sadder for the untold human misery suffered aboard the slave ship. He was a philanthropist in his way, for he saw that the prosperity of Boston needed two things, a better market than it had and a convenient hall large enough for the public meetings of the town of Boston. So in 1742 was completed the building called after its donor Faneuil Hall ("Funnel" Hall, as the people of his day pronounced the name), a building with a hall above, supported on brick arches, among which were the stalls of the market men. In the days before the Revolution so many public meetings were held in this hall that it came to be called, very appropriately, the "Cradle of Liberty." Few things in this world are wholly good or wholly bad, so when we are reminded that "the cradle of liberty rocks on the bones of the Middle Passage," we must remember that ideas of right and wrong change with the age, and that Peter Faneuil and his successors are not to be unduly blamed because their ideas of right do not agree with ours.

Probably the delegates to the Constitutional Convention were acquainted with many of the abuses that attended the slave trade, and they felt, no doubt, that the traffic needed regulation of some sort. There were practical objections to the slave trade, too. If an unlimited importation of slaves was allowed, the price would be certain to fall, and Americans who made a business of raising slaves would suffer financially. Slaves brought directly from Africa were likely to be hard to manage; slave insurrections were always a very present fear

**The  
Compromise  
in the  
Constitution  
over the  
Slave  
Trade.**

in the minds of slave owners, and a body of slaves, among whom many were fresh importations, would be much more to be feared on this account than slaves born and trained on the plantations. Again, slaves brought fresh from Africa must become acclimated, a process that took at least two years. It was the hopelessness of their position that made this process so long; indeed many of them did not survive this tedious period of weakness of body and spirits, but died of homesickness. Recent importations were likely to bring with them African diseases or fevers contracted on shipboard, and any one who bought such slaves ran the risk of an epidemic of some sort on his plantation. The majority of southerners wished to stop the slave trade entirely, but a few wished to keep the doors open; this small party found allies in those delegates who feared that the federal government might become too strong. So it was agreed that for twenty years the matter of the slave trade should be left to the regulation of the states, with the single proviso that Congress might, if it pleased, levy an import tax of ten dollars per head on all slaves or persons of color imported. The exact words of the Constitution are: "The Migration or Importation of such Persons as any of the States now existing shall think proper to admit, shall not be prohibited by the Congress prior to the Year one thousand eight hundred and eight, but a Tax or duty may be imposed on such Importation, not exceeding ten dollars for each person." Here again we find that "slave" or "slavery" or "slave trade" are not used in the Constitution. We may dismiss the import tax part of this paragraph with the statement that such a tax was never levied, although several attempts were made to pass such a law.

**How this  
Compromise  
worked in  
Practice.**

One of the most awful events in the history of the New World was the terrible slave insurrection in the island of Santo Domingo (Haiti) in 1791. The

slaveholders of the South had always the fear of such an uprising before their eyes, and the accounts of the trouble on the island made them very suspicious of all imported slaves. Hence we find that, although the southern states were very much in favor of "states' rights," they fell in with the spirit of the Constitution and passed laws forbidding the importation of slaves.

In 1793 came the invention of the cotton gin by Eli Whitney, and within a very few years the situation in the South was entirely changed. Before 1793 practically all the cotton raised was in the tidewater region, where the "long-staple" variety was grown. This was not suited to the fertile uplands of the interior, or to the river valleys farther west, and the "short-staple" cotton, the only variety that would grow under such conditions, was shut out of the market by the difficulty of cleaning it of its seeds. This difficulty was entirely overcome by the new machine, thus making slave labor possible over a vast area where before it had been of little use. When fourteen of the twenty years imposed by the Constitution had passed, the purchase of Louisiana caused a widening of the market for slaves. A large business in smuggling slaves had existed in the South for many years. There had been no national law against the importation of slaves, and if men chose to violate the state laws forbidding it, there was little legal machinery to interfere with the traffic. These facts combined to cause the people of South Carolina to repeal their law against the slave trade in 1804, so that for four years the business was legal in that state. In 1808 Congress, acting within its rights, as stated in the Constitution, passed a law making slave trade a crime and imposing severe penalties on those who violated the law.

The invention of the cotton gin divides the history of slavery into two sections, so different from each other that they present

almost entirely different questions. The modern development of slavery and of the slave trade in the United States belongs in a later chapter. This chapter shows that since the days of the Norsemen America has always been the land of unlimited opportunity to those who believe and practice the gospel of hard, honest work. To such men America has offered a home and a name. Two systems of servile labor existed side by side in our country, a bond and a free. For nearly a century and a half bond servants were of two classes, the slaves and the indentured servants. We find that the servants disappeared as a class before the Revolution, having seized gladly the opportunity that America offered them to better their condition. The slave came here, however, not of his own free will, but as the result of a great injustice. Slavery was being outgrown by the civilized world, and the attempt to introduce it into the New World could hardly end in anything but disaster.

## CHAPTER VI

### AGRICULTURE

ONE of the most fascinating puzzles in the world is the mysterious process of development that we find in the life story of a plant. Its whole development, from seed to fruit, may be studied under the microscope, and the more closely we examine this development, the more wonderful appear the processes always going on in the plant world. The most wonderful thing about a plant is the way in which it adapts itself to all sorts of climatic conditions. It is really this "adaptability" to which we refer when we say that a plant "responds" easily to cultivation, under which it changes so that it would hardly be recognized. It is difficult to realize that before the Europeans came to this continent, this changing of plants from a wild state to an improved cultivated form had been going on for a very long time. How long this period was, we do not know, but it must have been many hundreds of years. Probably the Indians were at first a wandering people, having neither flocks, herds, nor farms, living on such beasts, birds, and fishes as they could catch, and on such vegetables as they found ready to their hands. A long, slow development, covering centuries of time, is necessary to change a wild people into a race as civilized even as the Indians were at the beginning of European settlements.

**Agriculture  
among the  
Indians.**

We are accustomed to think of the North American Indians of the seventeenth century as uncivilized men, "inconstant salvages," Captain John

**How  
civilized  
were the  
Indians?**

Smith called them, bloodthirsty, revengeful, deceitful and treacherous in war, delighting to torture their enemies to death, and more or less unscrupulous in their daily affairs. But when we study the people of Europe of the same period, we find, to our chagrin, that the North American Indian was no worse than his white brother in any of these particulars. The European had more knowledge with which to work, and yet in wars, witchcraft excitement, and religious persecutions he surpassed the Indian in savagery. Though the Indians had no cows, sheep, or horses, they had progressed so far in civilization that most of the tribes had settled homes and cultivated fields of large size. They were accustomed to clear the land by burning, and they had even learned to fertilize the land already cleared in order to increase its yield. This was true of the coast tribes, as well as their stronger cousins of the interior, who had progressed even farther. The "long houses" and the cleared fields of the Iroquois were a wonder constantly mentioned by those Europeans who described the valley of the Mohawk.

**Products  
cultivated  
by the  
Indians.**

It is very probable that at first the Indians were accustomed to use such food as the earth itself supplied, and that later the idea of making the earth supply more and better food came to the race as it advanced from a wandering people to one fairly well settled. One of the earliest and best sources of information that we have concerning the condition of the Indians in the early seventeenth century is the writing of Captain John Smith. He speaks of the Virginia Indians as using walnuts, chestnuts, plums, cherries, crab apples, acorns, grapes, and various kinds of berries. Many herbs were also used, some as medicines, others as "greens"; roots of various kinds were found in the woods and marshes, but most of these had to be prepared before they could be eaten. Wild peas and currants were found on the hills back from the

coast, and little onions "not past the bignesse of the toppe of ones Thumbe" were to be found in the lowlands. Two other natural products appropriated by the English were "pellitory of Spain," used as a cure for toothache, and "sasafrage," looked upon by the doctors of that time as a cure-all. Another native herb was destined to have great influence on the development of the continent. This was tobacco, which grew wild all along the coast from southern Brazil to Massachusetts, and which was used by the Indians in much the same way as it was later used by the Europeans, although it was left for the Europeans to cultivate it.

It is interesting to note that Columbus discovered the use of tobacco within a few days of his landing in the New World, and that he was constantly finding it in use among the people of the islands that he explored. It was introduced into Europe within half a century, but the use of it did not immediately become general; many of the earliest explorers seem to have been ignorant of its use, its appearance, its taste, and its effects. The first European explorer of North America to give any full account of tobacco was Jacques Cartier, who wrote a description of it as he saw it in 1535. (See *Purchas His Pilgrims*.) "They [the Canadian Indians] digge their grounds with certaine peeces of wood, as bigge as half a sword, on which ground groweth their corne, which they call Offici: it is as bigge as our small peason: there is great quantitie of it growing in Bresill. They have also great store of Muskemillions, Pompions, Gourds, Cucumbers, Peason and Beanes of every color, yet differing from ours. There groweth also a certain kind of herbe, whereof in Sommer they make great provision for all the yeere, making great account of it, and onely men use of it, and first they cause it to be dried in the sunne, then weare it about their neckes

**Tobacco  
before the  
European  
Settlement.**



wrapped in a little beasts skinne made of a little bagge, with a hollow peece of stone or wood like a pipe: then when they please they make pouder of it, and then put it in one of the ends of the said Cornet or pipe, and laying a cole of fire upon it, at the other end sucke so long, that they fill their bodies full of smoke, till that it commeth out of their mouth and nostrils, even as out of the Tonnel of a chimney. They say that this doth keepe them warme and in health: they never goe without some of it about them. We our selves have tried the same smoke, and having put it into our mouthes, it seemed almost as hot as Pepper."

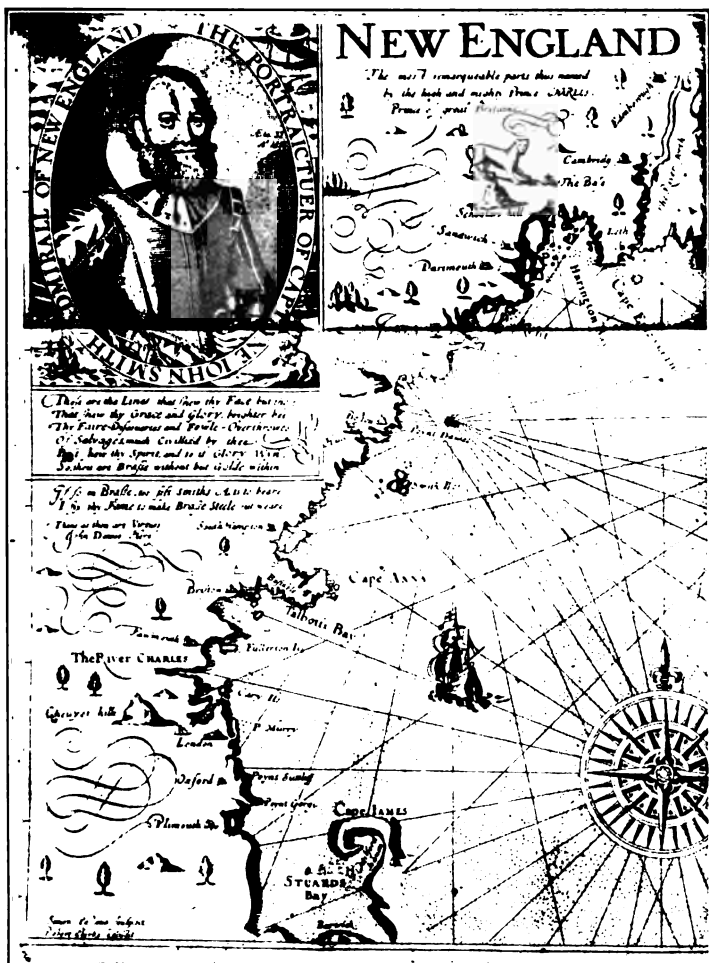
Even as late as 1588 Thomas Hariot described tobacco in Virginia as though he had just heard of it, although he certainly was one of the best informed men of his time. "There is an herbe which is sowed a part by it self & is called by the inhabitants uppowoc: In the West Indies it hath divers names, according to the severall places & countries where it groweth and is used: The Spaniardes generally call it Tobacco. The leaves thereof being dried and brought into powder: they use to take the fume or smoke thereof by sucking it through pipes made of claie into their stomacke and heade; from whence it purgeth superfluous steame and other grosse humors, openeth all the pores & passages of the body: by which meanes the use thereof, not only preserveth the body from obstructions: but also if any be, so that they have not beene of too long continuance, in short time breaketh them: wherby their bodies are notably preserved in health & know not many greivous diseases wherewithall wee in England are oftentimes afflicted. . . . We our selves during the time we were there used to suck it after their maner, as also since our returne, & have found manie rare and wonderful experiments of the vertues thereof; of which the relation would require a volume by it self: the use of it by so manie

of late, men & women of great calling as else, and some learned Phisitions also, is sufficient witness." Yet by 1604 Englishmen, sailing along the New England coast, found tobacco everywhere, and commented on its use, contrasting the size of the Indian pipes with the pipes sold in England. Tobacco evidently became fashionable quite quickly after that, for we learn that in 1610 tobacco to the value of a million and a half dollars was imported into England.

The Englishmen who came first to this continent had been accustomed to use as food various Indian  
Corn. kinds of grain, such as wheat or barley, and they spoke of all grain as "corn." In the King James version of the Bible grain is generally referred to as corn. So when the English found the Indians using for food a seed somewhat similar to their own foodstuff, it was natural for the word "corn" to be used to describe it, although what they saw was really quite unlike the European corn. Thomas Hariot thus describes it: "Pagatowr, a kinde of graine so called by the inhabitants; the same in the West Indies is called Mayze; Englishmen call it Guinney wheate or Turkie Wheate, according to the names of the countreys from whence the like hath beene brought. The graine is about the bignesse of our ordinary English peaze and not much different in forme and shape: but of divers colours: some white, some red, some yellow, and some blew. All of them yeele a very white and sweete flowr: beeing used according to his kind it maketh a very good bread. Wee made of the same in the country some mault, whereof was brued as good ale as was to be desired. So likewise by the help of hops thereof may bee made as good Beere. It is a graine of marveilous great increase; of a thousand, fiteene hundred and some two thousand fold. There are three sortes, of which two are ripe in an eleven and twelve weekes at the most: sometimes in ten, after the time

they are set, and are then in height in stalke about sixe or seven foote. The other sort is ripe in fourteene, and is about ten foote high, of the stalke some beare foure heads, some three, some one, and two: every head containing five, sixe, or seven hundred graines within a few more or lesse. Of these graines besides bread, the inhabitants make victuall eyther by parching them; or seething them whole untill they be broken; or boyling the floure with water into a pappe." The Indians were evidently accustomed to raise this grain in large quantities, for we find records of many cases where the Indians were able to sell corn to the English by the thousand bushels. Smith records one corn-field in Virginia of about two hundred acres, but the fields were usually smaller, and scattered along the river valleys. The description of the farming of the Virginia Indians, given by Captain John Smith, shows that they had a fairly good system of planting. "The greatest labour they take, is in the planting their corne, for the Country naturally is overgrowne with wood. To prepare the ground they bruize the bark of the trees neare the root, then do they scotch the roots with fire that they grow no more. The nexte year, with a crooked peece of wood they beat up the weeds by the rootes, and in that mould they plant their Corne. Their manner is this. They make a hole in the earth with a sticke and into it they put foure graines of wheate and two of beanes. These holes they make foure foote one from another: Thier women and children do continually keepe it with weeding, and when it is growne middle high, they hill it about like a hop-yard.

"In Aprill they begin to plant, but their chief plantation is in May, and so they continue till the midst of June. What they plant in April they reap in August, for May in September, for June in October; Every stalke of their Corne commonly beareth two ears, some three, seldome any foure, many but



THE FAMOUS CAPTAIN JOHN SMITH AND HIS EQUALLY FAMOUS MAP.

This section of the map contains most of the English names placed upon it by Prince Charles (afterwards King Charles I). It is the first map of any portion of the coast that was at all accurate. (1616.)

one, and some none. Every eare ordinarily hath between 200 and 500 graines. . . . In May also among their corne they plant Pumpeons, and a fruite like unto a muske mellon, but lesse and worse, which they call Macocks. These increase exceedingly, and ripen in the beginning of July, and continue until September. They plant also Maracocks, a wild fruit like a Lemmon, which also increase infinitely. . . . When all their fruits be gathered, little els they plant, and this is done by their women and children; neither doth this long suffice them, for near three parts of the yeare, they onely observe times and seasons, and live of what the Country naturally affordeth from hand to mouth, &c."

**Food for the Colonists.** From the start all the colonies were thrown on their own resources for food, although they seemed to expect that supplies would be sent them from home. In Massachusetts and Virginia the colonists found it easier to adopt the great food crop of the Indians than to try to get European seeds to grow here. This latter process would take some years, at least, and they must have food immediately. At first they used the Indian method of raising corn, and in many places they adopted the Indian manner of planting. We read in the writings of Governor William Bradford of Plymouth, that "the women now wente willingly into the ye feild, and tooke their little-ones with them to set corne." But the greater ability of the Englishman, both as a farmer and as a business man, soon enabled him to outdistance the Indian. In 1630 the Rev. Stephen Higginson of Salem published an account of that colony, in which these words occur: "In our plantation we have already a quart of Milke for a penny: but the abundant encrease of Corne proves this Countrey to be a wonderment. Thirtie, fortie fiftie, sixtie are ordinary here: yea Josephs encrease in Aegypt is out-stript here with us. Our Planters hope to have more than a hundred fould this yere: and all this

while I am within Compasse; what will you say of two hundred fould and upwards? It is almost incredible what great gain some of our English planters have had by our Indian Corne. Credible persons have assured me, and the partie himselfe avouched the truth of it to me, that of the setting of 13 gallons of Corne he hath had encrease of it 52 Hogsheads, everie hogshhead containing seven bushels London measure, and everie bushel was by him sold and trusted to the Indians for so much Beaver as was worth 18 shillings; and so of these 13 gallons of Corne which was worth 6 shillings 8 pence, he made about 327 pounds of it the yeere following, as by reckoning will appeare: where you may see how God blesseth husbandry in this land." This means a gain of about sixty-five hundred dollars on an investment of about six dollars and a half! The reverend divine evidently believed that as the Philistines were delivered over to the chosen people to be "spoiled," so the Indian was provided by Providence in order that the New England Puritan might gain the advantage over him.

One of the important foods of the Indians of North America was the combination of corn and beans, described by Captain John Smith. These two articles of food were not only raised together, but they were cooked together and eaten as succotash. The corn cooked alone resembled hulled corn, and was called "samp." The beans were cooked in several ways, but the method most imitated by the colonists seems to have been that of baking them in a large earthenware pan. There were various ways of cooking corn meal. It was sometimes boiled as hominy or suppawn, and sometimes baked in the form of "pones." This shows that our forefathers had discovered early in colonial days that corn was one of nature's best foods, and evidently they regarded it as the mainstay of life in the new land.

Other  
Colonial  
Crops.

The colonists brought with them the seeds of many English vegetables and fruits, and after long experiment with the new climate and soil, they found that many of these crops grew even better in the virgin soil of the new home than in that of Old England. This was true particularly of apples, melons, peaches, potatoes, and peas. Wheat and other English grains were raised to some extent, but the soil and climate were not fitted



A NEW ENGLAND HILLSIDE.

The owner has tried to get rid of part of the stones by building stone walls, but there seems to be a never failing supply of new material. Farming in soil like this can yield no more than a bare living.

for them. It must be remembered that the range of climate in the settlements from Georgia to Maine gave opportunity for a far greater variety of fruit and vegetables than it was possible to raise in England, and these differences of climate, soil, and rainfall had a very great influence on the development of the country.

An extract from the diary of Judge Samuel Sewall discloses, not only some popular viands, but also the happy combination of piety and enjoyment of good things that was characteristic

of the Puritan New Englander. "Sixth-day, Oct. 1. 1697. Jer. Balchar's sons came for us to go to the island. My Wife, through Indisposition, could not goe: But I carried Sam. Hanah, Elisa, Joseph, Mary and Jane Tapan: I prevail'd with Mr. Willard to goe, He carried Simon, Elisabeth, William, Margaret, and Elisa Tyng: Had a very comfortable Passage thither and home again; though against Tide: Had first



A WASHINGTON HILLSIDE.

Compare this soil with that in the picture on the opposite page. The boundless fields make possible the use of farm machinery on a large scale, while soil and climate are favorable for the production of wheat.

Butter, Honey, Curds and Cream. For Diner, very good Rost Lamb, Turkey, Fowls, Aplepy. After Diner sung the 121 Psalm. Note. A Glass of spirits my Wife sent stood upon a Joint-Stool which, Simon W. jogging, it fell down and broke all to shivers: I said twas a lively Emblem of our Fragility and Mortality. When came home met Capt. Scottow led between two: He came to visit me and fell down and hurt himself; bruised his Nose, within a little of our House."



**The Effect  
of Farming  
Possibilities  
on History.**

In contrast to the fertility of the Southern Colonies New England had a hard, stony soil, requiring great care and hard labor before any great crop could be raised. The winter was long and severe, and for at least six months of the year the farmer could do nothing with his stony fields. Spring was short, giving little time in which to prepare for the crops; the summer was short and very hot, forcing the severest labor in the time of the greatest heat, and making it necessary to raise only such crops as would ripen in a short season. Frosts came early, and the corn, grapes, melons, and pumpkins must be of a sort that would come to maturity and could be harvested before the end of September. Had it not been for their English custom of eating much vegetable food, the colonists would have relied upon the well-stocked forest and the sea for their sustenance. And indeed it is surprising that the people of the Northern Colonies engaged entirely in agriculture, since the abundance of natural resources of many kinds invited them to follow many different kinds of occupations. Moreover very little money was paid out by the farmers for labor, and the general employment of slave labor was entirely out of the question. Hence the New Englander came to be a very industrious man, doing his own work, able to do many things well, and ingenious in all of them; in short, a "Yankee." It is interesting to note that nearly all of the Revolutionary monuments represent workers.

In the Southern Colonies conditions were different. The soil, the colonists found, was wonderfully fertile, and there seemed to be an inexhaustible supply of it. With plenty of sunlight, enough water, a long summer, and several suitable and profitable crops agriculture seemed the natural occupation in the Southern Colonies. The social conditions and the climate, however, were unfavorable to such a state of activity, for the



REVOLUTIONARY MONUMENTS SHOW WORKERS.

These are two of the many monuments of the sort to be found throughout the region where the battles of the Revolution were fought. Almost without exception they represent men who come from the so-called "working classes."

colonists were not from a class of Englishmen accustomed to work with their hands, and the hot climate made them even less inclined to labor in the fields. Hence the fate of the South depended on a plentiful supply of imported labor. This was furnished at first by the indentured servants. We have already seen that in time they were supplanted by the slaves, and we have seen how slave labor degraded the condition and the agricultural methods of the southern planters. Later we shall see how the labor question in the South helped to bring on the Civil War.

**England's  
Policy  
regarding  
Colonial  
Agriculture.**

It will be remembered that Great Britain expected much of her colonists; they were to be obedient and humble, and should not be above receiving orders as to what they should do, and among other things as to what they should raise. Many Englishmen believed that England should spend no money outside her own borders, and that, whatever she could not produce herself, her colonies ought to raise and send to her. The colonies ought not to raise what the mother country herself could raise and send to them, and it would be convenient for the colonies to raise and send home such things as were in demand in Europe. Great Britain could reëxport these products and so make a "middleman's" profit, for not only was it held that England must refrain from spending money, but that she should try to get as much away from her neighbors as possible. This idea, known as the "British colonial theory," guided Great Britain in her treatment of her colonies, down to the time of the Revolution.

Inevitably such a policy led to much hard feeling and misunderstanding. During the early days in Virginia, when hunger and sickness were much more abundant than gold and silver, those in authority in England were trying to induce the

colonists to produce and send to England such commodities as Europeans had been accustomed to buy abroad, commodities such as silk, glass, naval stores, the precious metals, and medical supplies. Except for a few feeble efforts this demand from the mother country remained entirely unnoticed by the colonists. It seems as though some mysterious natural law impelled all the colonies alike to raise or produce the things best suited to the soil and climate of their locality, something easily produced with the small amount of labor at hand, and something for which there was a demand. Let us see what result this had on the life and development of some of the colonies.

We take up this topic first because there is no better example in our history of the effects of a vegetable product on the fortunes of a state. **Tobacco in Virginia History.** Throughout the whole colonial period there were occasional attempts to turn the people of Virginia to the culture of some other crop, but these were all complete failures. The growing of flax was tried; silkworm culture was at times attempted to some extent; peaches were raised, but could be used for nothing except to fatten hogs; maize was grown as a food crop, but not in sufficient quantities to sell; in short, all these were abandoned for tobacco, because this was best suited to the particular conditions of soil, climate, and labor found in the colony of Virginia. The British government assumed different attitudes toward tobacco raising as the time passed. James I thought it a filthy weed, and even wrote a book against it, *A Counterblast to Tobacco*, and did his best to discourage cultivation of it. By 1660 the British colonial theory was gaining vigor. Theoretically the British government should have prevented the colonists from putting all their eggs in one basket, but the crown obtained so large an income from the various duties on tobacco in England that objections had little weight.

Although the taxes were not heavy, the large amount that the government realized from this source may be imagined from the fact that by 1689 the colony was sending about eight thousand tons of tobacco to England yearly, and various government taxes on tobacco brought in hundreds of thousands of pounds. Moreover, many influential British merchants were obtaining a large income from manufacturing and selling the leaf. The tobacco raiser had a very small share in the profits of the trade.

**How the Colonists regarded Restriction.** Down to 1660 the British government had tried to keep a strict control over Virginia tobacco raising, and had succeeded only in arousing indignation, and in making the colonists regard the government as a busybody that was always bothering others while unable to keep its own business in good order. In 1660 new life was given to the friction between colony and mother country by the passage in the British Parliament of a law known as the "Navigation Act," because it had to do with goods imported into England or into her colonies, and with the exporting of such goods. One of the provisions of this act was that certain goods produced in the colonies (known as "enumerated goods") should be sent only to England, and that they must be sent in ships owned and manned by the English. This was to give the government, merchants, and sailors of England the sole privilege of making money from certain American crops, and unfortunately tobacco was one of the enumerated commodities. How much the English made may be estimated from the fact that when tobacco was selling for a penny a pound in Virginia, it sold for fivepence in England. Of course this was a great hardship for the Virginians, as it prevented them from selling their produce in the best market, and it really compelled them to take whatever price the English merchants chose to give them. When tobacco was worth only a penny a pound



in Virginia, it hardly paid to harvest it. They knew that they could often get four times the English price if they were willing to violate the law and to send their tobacco to Holland or some other continental country. In their distress they often tried to cheat the government officers, and undoubtedly they did sell great amounts in illegal ways, but they were justified in their own eyes by the great injustice of the law. It was a very unfortunate thing for England that so early in the life of this colony, destined to be the most important and influential in 1776, its people should have had so thoroughly inculcated in their minds the idea of the injustice of the British government.

**How the  
Life of the  
Virginia  
Colonists  
was  
Affected.**

The price of tobacco in Virginia was usually low, and it sometimes happened that it cost more to raise it than the crop brought. It is true that this was often the fault of the people themselves, for they had no foresight in the planting of the crop, and each one thought only of how large an amount he might put on the market. But the low price compelled every one to raise his crop as cheaply as he could, and this meant that as little labor as possible should be expended on the land. Land was the cheapest thing in Virginia; men who wished to raise tobacco got into the habit of buying very large tracts of land, thousands of acres, perhaps, — far more than could be cultivated at any one time. This had the effect of scattering the population; there were no good schools or roads, nor any towns of size, while "Charles City" existed only on the map, and had no population at all! The methods of cultivation were as follows: at first each planter would clear as much land as he could cultivate at one time, and plant it with tobacco. The land was never thoroughly cultivated, in our sense of the word, but was treated in the rudest manner possible, and the wonderful richness of soil was relied upon to do the work for the planter.

The best soil could raise only two or at most three crops. After that the return would be too small to cover the expenses of planting and harvesting. Then the planter must begin all over again the process of clearing land and exhausting its fertility. Some of the planters used a little of the exhausted land for raising maize or vegetables for a year or two, but with no fertilizer and with half-hearted tillage only two or three crops could be raised in this way. Then the land was abandoned and allowed to grow up, first to coarse grass, then to scrub pine, then in time to forest again. So in the course of a generation, perhaps, the whole area originally taken up by a planter would be exhausted, and his family would move out farther into the wilderness and take up another great area. In this way the available land of the colony was rapidly covered; by 1700 the area taken up in plantations in Virginia was equal to the whole area of cultivated land of England! The people scattered over this territory had learned to regard the government of England as thoroughly selfish in its treatment of them, and the idea of the evasion of the law had come to have nothing disgraceful about it, for they believed themselves justified in protecting their natural rights in every possible way. At the time of the Revolution nearly all the available tobacco lands of the eastern part of the state had been taken up, and the colony was facing a crisis in its affairs. Naturally this did not tend to make the people any less uneasy, or any more inclined to obey laws that appeared to them to be the source of all their woes. It was especially unfortunate that just at the time when men were becoming seriously disturbed over the distressing situation, the English government should attempt to exercise its authority in a new and more distasteful way.

One of the commercial grievances of the people of all the colonies was a lack of ready money. There **Money in Virginia.**



was not enough cash or coined money in existence among them to enable them to do business easily. This lack could easily have been remedied by the British government, had it chosen to do so, and the feeling among the colonists that commercial greatness would be within their grasp if they only had a proper supply of good money kept alive a feeling of bitterness against the government that was responsible for the lack.



THE LINE OF THE MINUTE MEN,  
APRIL 19, 1775.

This boulder stands on the Lexington Common; just in line with it, but not seen in this picture, stands the building in which was started the first Normal School in America. The inscription reflects the bitterness of the American belief that the war was the fault of the British government.

The people of Virginia were especially bitter on this point, for they had been given a kind of relief that they looked upon as a mockery, as indeed it was. At a time when the government of Great Britain was unusually corrupt the colony of Virginia, through its House of Burgesses, appealed to the king to relieve the commercial situation by furnishing the colony with some means of obtaining a supply of small change. The House was delighted when it was informed that its prayer

had been answered. What really happened was this: one of the most needy of the courtiers had obtained possession of the petition, and had begged permission to coin shillings containing about 30 per cent of base metal; these he planned to use in buying tobacco in Virginia, thus distributing the small change that the people so much wanted. This of course amounted to robbery, for the people of the colony would be obliged to accept the coins, although they would not be able to use them outside their own colony. The

House of Burgesses promptly declined the king's favor, with thanks.

There were large warehouses scattered through Virginia, controlled by the government, and the planters were obliged to store their tobacco in them, receiving "tobacco receipts." These papers had been for a long time used as money throughout the colony, but of course they would not pass current anywhere else. By 1750 this curious paper money was practically the only money seen in the colony, and of course the laws made by the people of Virginia had to recognize that fact. Debts, contracts, and legacies, in fact all financial transactions, were expressed, not in pounds, shillings, and pence, but in pounds of tobacco. Salaries of public officers, for example, were fixed by law at so many pounds of tobacco; clergymen were allowed by the colonial government sixteen thousand pounds per year, with seventeen hundred pounds extra to allow for shrinkage. If the price of tobacco had always been the same, there would have been no trouble with this reckoning, but in some years the crop was so plentiful that the price was as low as a penny a pound, in which case the poor ministers and all salaried officers had a hard time of it. Some years the price went up, and then it became a hardship for the parishes to raise the amount fixed by law as the salaries of its officers. In the effort to remedy this trouble and to arrive at a solution that would be fair to both sides, an act was passed by the House of Burgesses in 1755, known as the "Twopenny Act," allowing any person to pay his taxes or dues of any kind in tobacco, as heretofore, or in coin at the rate of twopence for each pound of tobacco. This was supposed to be fair in the long run, for this was the average price of tobacco for the previous seven years.

There was little trouble until 1758, when the law was reën-

**The Parson's Cause.** acted, although the British government had disallowed it, and the crop was so poor that every one wished to take advantage of the law and to pay all his taxes in cash. This was so hard on those who received salaries that the trouble was not to be borne, and, oddly enough, the parties who made the most clamor were the clergymen. The "parsons," as they were called in those days, protested very vigorously, and through one of their number, Rev. James Maury, a French refugee, they made a test case that is of little importance in itself, but which had very startling consequences. There was really no trial at all, for the Twopenny Act was clearly illegal, since, according to royal regulation, every act passed by the House of Burgesses must contain a clause providing that the law should not be in effect until it had been approved by the crown, and this particular law did not contain that clause. Most lawyers would have tried to be as inconspicuous as possible in a trial in which their clients had no chance at all, but the lawyer in this case was made of different stuff. He was a young man who had hung out his shingle only a little while before, but had succeeded in obtaining a great many cases in his first year. He had studied and thought a great deal about "government," and had read all that he could find on the subject, including a Treatise on Government by a certain Mr. John Locke. In this essay he had found many ideas with which George III would have had no sympathy at all. For instance, Mr. Locke said that government was nothing less than a contract between a king and his people. The king agreed to give his people certain things, such as justice and good government. The people contracted to give obedience and loyalty to the king. Now, Mr. Locke said, if either of the two parties to the contract should fail to carry out his part of the agreement, the other party was not

obliged to fulfill his! This young Virginia lawyer applied these ideas to Virginia, and when he found that his side of the case could not hope to defeat the other, he thought that it would be a good opportunity to declare his views, and to make converts, if possible, to his way of thinking. "Court" in colonial Virginia was always a great occasion; it was the time when all the best people got together for social as well as for legal purposes. People came for miles to hear the speeches and debates of the lawyers, and to attend the balls and other festivities that took place in the evening. It was the one great occasion of the year for the scattered Virginia "gentry," and the people of the lower social class attended as well. This trial was very important, for Mr. Maury was fighting the battle of every salaried public officer in the colony, and there was an unusually large attendance of the leading men of the province, planters, lawyers, clergymen. All these men, leaders in the life and thought of the colony, men loyal in name, but very bitter in their feelings against England, listened to a carefully thought out statement to the effect that the king of England

14. 1. 7. 6  
*This Social Book, gave occasion  
to two of the noblest Works,  
that ever the Mind of Man  
hath produced;  
Algeron Sydney's "Discourses  
concerning Government:"  
And, John Locke's "Two Tra-  
ctates of Government".*

THE OPINION OF A GREAT ENGLISHMAN  
ABOUT LOCKE'S ESSAYS ON GOVERNMENT.

Thomas Hollis wrote this on the fly-leaf of a book which he gave to the Library of Harvard College; the book itself (Filmer's *Patriarcha*) he despised, but thought it of importance because it "gave occasion" to so great a work.

had not given the people of Virginia justice and good government, and that therefore —. The young lawyer stopped there. The judge instructed the jury that under the law they must bring in damages for Mr. Maury, which they did, to the value of one penny! The name of this young lawyer who came so near to uttering treason was PATRICK HENRY.

**Misgovern-  
ment in  
South  
Carolina.**

We have seen that agriculture exercised a wonderful influence on the history of the colony of Virginia, and we find a somewhat similar situation in the Carolinas. If we study the history of South Carolina, we shall find that the year 1719 marks a division of the life of the colony into two entirely distinct periods. Before that time the colony had been part of the property of the "Eight Proprietors" of the Carolinas, and had found, to its sorrow, that the government looked on the people as instruments to be used for the benefit of the proprietors. The grievances of the people were very many. No one but the agents of the proprietors could engage in the fur trade; religious liberty was entirely lacking, and religious differences were made the basis for petty persecution of the meanest sort; worst of all, the ownership of land, the one thing so dear to the hearts of the newcomers, seemed denied them. Land could be rented only on very high terms, and anything like financial success in agriculture was impossible. Their government was a curious form of feudalism, borrowed from Mexico and Germany, and utterly unsuited to the wild conditions and the semi-independence of life in the new country. The proprietors forced the colonists to defend themselves against the Indians, and would spend nothing for the improvement of conditions in the colony. Taxation must cover all expenses, and the poor farmers were made to bear the brunt of it all.

The type of magistrate that dealt out justice to the colonists

may be judged from the history of Mr. Nicholas Trott, for many years chief justice of the colony. He had been an English customs collector in the Bermuda Islands and, like all of his class, took bribes whenever he had a chance. He seems to have excited some jealousy among his fellows by his success at this sort of robbery, and the crisis came when he connived at the landing of a whole cargo of pirates. A number of these gentlemen who were returning from the East, intending to retire and live as honest citizens, had reached the Bermudas, with their ship laden with money and choice goods. They stopped out of sight of port and sent a boat ashore to get the proper papers for landing. Trott agreed to give them all a clean bill of health for the sum of £1000 (equal to \$20,000 to-day)! His colleagues were very angry at such selfishness, and threatened to report him to England and have him punished for forgery. So Mr. Nicholas Trott moved somewhat hurriedly to South Carolina, where he bought the post of chief justice, thereby protecting himself from possible trouble, and enabling him to dispense a very doubtful brand of justice to the highest bidder. The government, as a whole, was of about the same sort, so bad that prosperity under such a system or such men was impossible.

The natural result of all this trouble was a desperate attempt on the part of the colonists to take their affairs into their own hands; it turned out to be very successful, and for ten years, until a royal governor was appointed in 1729, the colonists ran their own affairs. But the people were very little better off, for most of the land fell into the hands of a few men who were really too poor to cultivate so much.

South Carolina had no standard crop that was certain to bring in a good income. Rice was difficult to raise, and as most of it was exported to the

**Agriculture  
in South  
Carolina.**

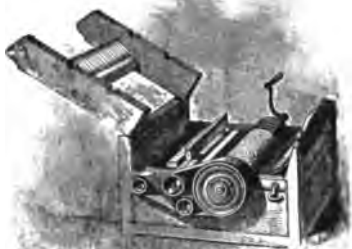
Mediterranean region, the demand for it was influenced by many external forces. It was a very unhealthful crop to raise, and the lives of the white laborers were rapidly sacrificed in the rice swamps. Slaves were used to better advantage, but slave labor was expensive.

Indigo was a very risky crop to raise, for the process of making the dyestuff was so delicate that the slightest mistake of judgment would spoil the whole lot. The sale of the indigo depended entirely on the fashion, and was therefore very uncertain. Cotton was raised in small amounts, but none was exported until after the Revolution. So the farmer of South Carolina remained poor. He was saddled with debt and slavery, and though he realized the disadvantages of his condition, he thought that he could not get along without the slaves. There is nothing like constant worry to sour a man's temper. When we consider the hard time that the South Carolinians had, it is no wonder that in the Revolutionary period the people in that state were known as hot-tempered, quick to take offense, and envious of the better fortunes of some of the other colonies. Some of the most fiery of our national statesmen, those, for instance, who arose in the troubled administration of Jackson and Lincoln, have come from South Carolina.

**The Cotton  
Gin and  
Slavery.**

With a scattered and sparse population slavery and farming did not agree any too well until after 1790, when the invention of the cotton gin showed the southern planter what seemed a profitable way in which to use his slaves. A cotton boll looks like a fluffy mass of little white balls of fiber. In the center of each little ball there is a small seed, from which each one of the fibers starts, and it is a slow and tedious job to separate the seed from the fibers. The "short-staple" cotton offered an almost hopeless task. An old

plantation requirement provided that "pick-up work" should be cleaning the cotton, and that each head of a slave family should turn in four pounds of cleaned cotton each week, in addition to the field work performed by his family. This work was not only difficult of accomplishment, but it could not be successfully



WHITNEY'S COTTON GIN.

superintended. Slavery certainly could not be a source of wealth under such conditions, and the cotton gin was responsible for a great change in these conditions in the years that followed.

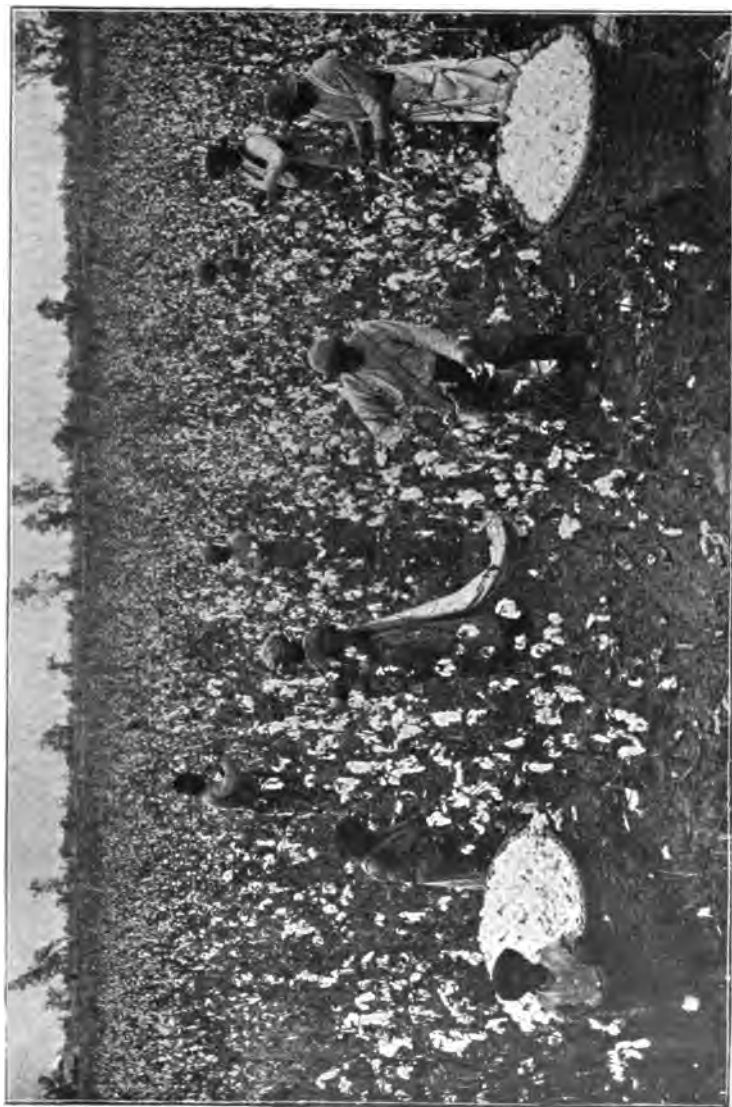
Was it really profitable? That depends on how far ahead we look. Cotton raising certainly did bring in money, but it did so at great expense. While slavery did encourage cotton culture, it also temporarily ruined the soil of the state, for slaves could be used only with extensive agriculture, and this meant the exhaustion of the soil, and the abandonment of it after a few years. Hence the people of South Carolina, unless conditions changed radically, would soon be unable to compete with the soil of the newer states farther west. South Carolina would become a bankrupt state. Another drawback was that a large part of the income must continually be reinvested in slaves.

It is interesting to note that at the same time that the South Carolina farmer believed this, the Virginia planter had discovered the mistake of slavery, and was trying to stop both the slave trade and slavery. Indeed, no small part of Virginia's grievance against Great Britain lay in the fact that when she



petitioned more than once for the abolition of the slave trade, the English government refused to grant the prayer, and added a few words of admonition to the effect that colonies existed, not for their own happiness, but for the good of the mother country. In South Carolina, then, the slave owner was continually riveting his own shackles tighter and tighter as his business expanded, and he never seemed to stop to think where he stood financially. Thus he went on until the Civil War, apparently in ignorance of the fact that he was placing his whole reliance on a system of agriculture that, if unchecked, could bring him nothing but misfortune.

**The Dignity of Labor.** · The social standards of the South made a difference between the man who worked with his hands and the man who was wealthy enough to own other human beings to do this work for him. In other words, from the very beginning of colonial life in the South the feeling became stronger and stronger that it was a social disgrace for a man to earn his living with his own hands. In the history of the world this feeling has usually accompanied systems of slavery, and the South was simply experiencing one of the curses of the institution. In this particular we find one of the greatest differences between the colonial period in the North and in the South, for the people of the Northern Colonies looked upon work as a matter of pride. Governor Carver of Plymouth worked as a farmer, as did Governor Winthrop of Massachusetts Bay Colony, while the leading men of the Middle Colonies were all workers in some way. With the less fertile soil and the less favorable climate the life of a farmer in the Northern Colonies was, indeed, a struggle. It is a common saying that it takes a little opposition to bring out the best that there is in an Englishman, and it must not be forgotten that these colonists were very proud of being Englishmen. Slavery never

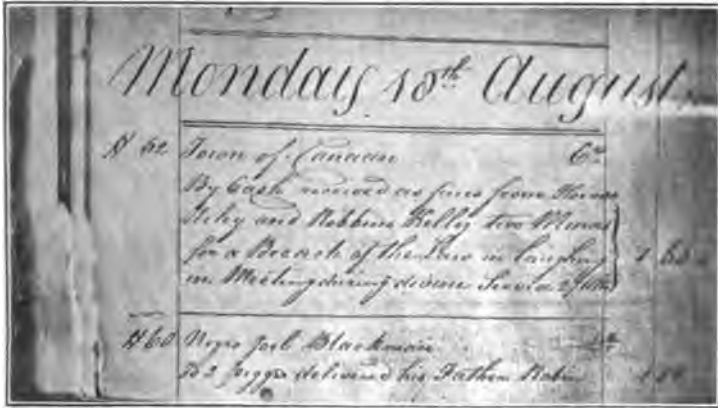


PICKING COTTON.

got a very strong hold on the Northern Colonies, possibly because it could not be profitably employed, and the North never had the least idea that manual labor was anything but honorable.

**Landholding in the North.** Unlike the southern farmer, the northern colonist took up only such land as he could cultivate, falling back on the Indian method of fertilizing the land. He brought up his children to work, and in accordance with that mysterious provision of nature that sends large families to settlers in new countries, he usually had a number of sons who followed naturally his example and took small holdings a little farther out in the wilderness. Thus we find in the Northern Colonies little of that affection for the place of one's birth, so often found in the South and in the mother country. It was regarded as a matter of course that most of the sons should leave home. Hence it is clear that the northern settlements spread out and increased more than those farther south, and that the new settlement resembled the older one in sentiment and customs. If we were to travel westward from New England, we should find New England names, manners, and customs, farming methods, and political ideas reproduced all along this great westward extension of New England. Not the least important fact to be remembered is that New England ideas of the dignity of labor were spread in the North, just as in the South so many of the people carried with them the idea that manual labor was socially disgraceful. If one had traveled west from Boston to the Mississippi in 1860, and from Charleston to the Mississippi, he must have seen that, from the standpoint of the land and the people, a people is successful in proportion as it has done its own work with its own hands, on soil that it owned. The northern states early found out that slavery was not only a terrible wrong, but that it was a very bad economic mistake. It was a system of labor

that not only robbed a race of its freedom, but it robbed the masters of their freedom, too, and it robbed the soil of its richness, thereby impoverishing a great section of our country. By 1800 nearly all of the northern states had passed laws regarding the holding of slaves, and in addition had thrown the weight of their opinion against the slave trade. A very good



THE PURITAN SABBATH.

The rigid observance of the Sabbath lasted long after the Revolution; this entry is from the day book of Samuel Forbes, under date of August 18, 1800.

idea of the real feeling of the country at large before the invention of the cotton gin may be found in the debates of the Constitutional Convention of 1787.

As late as 1800 agriculture was the most prominent and important industry in the United States. Some sections of the country had other important interests, such as fishing or lumbering, or the naval stores industry, but the one basic industry, the one on which the prosperity of the whole country depended, was the conversion of the natural wealth of the soil into valuable farm products. A thoughtful study of the affairs of nations shows that every

Develop-  
ment to  
1800.

people has to consider its food supply as its most important interest. A nation may have a great and well-equipped army, composed of brave and well-trained men, but if the army is not fed, all its good points go for nothing. In a similar way the productive powers of a nation of manufacturers depend largely on whether the army of laborers is properly and abundantly fed. It makes no difference whether the nation is high in point of civilization or very low, the food supply is of the utmost importance. The nation that has a large and secure food supply at all times is likely to be the most stable nation, and will be the most prosperous, especially if it has a surplus stock of food to sell to other people. At the present time England gets her main stock of food from three widely separated sections of the globe, North America, Australia, and Argentina. She cannot raise enough food at home because she has become a manufacturing country, and in order to protect her food communications in time of war, she must have a navy a little more than equal to the combined strength of the French and German navies, for these two peoples are her most dangerous neighbors. The United States, on the contrary, has a large supply of food at all times within her own borders, and can at times sell a good deal, thereby making her friendship a matter of great value to other nations. Until about 1800 the United States was not primarily a manufacturing nation, but was considered a food-producing nation as people thought then, not as we think. For example, when the French envoy to the United States was ordered (in 1793) to buy a million francs' worth of salt beef, he replied in despair that that whole continent did not contain the fourth part of such a supply! The total area of the states was still small and undeveloped, and little indication had been yet given of the immense powers of growth that were to be exhibited a few years later.

## CHAPTER VII

### COMMERCE AND MONEY MATTERS IN COLONIAL DAYS

IF we wish to find the beginning of the business life of our nation, we must go back to the story of what went on in the business world of England in the days before New England was so much as thought of. We find that during the generations when the English nation was being molded out of so many different materials, Englishmen, so far as they were manual workers at all, were usually farmers or shepherds. In the sense in which we use the word there was no manufacturing; there was much trading, but no commerce as we know it. Much work was done in the homes of the people, but none in shops or factories. The most interesting feature of the business life of our English forefathers was the great fairs, held at different times of the year in the large cities of the realm, which served to distribute wares over a wide area.

The  
Origin of  
Our Busi-  
ness Life  
in Old  
England.

"The Pleasant Historie of Thomas of Reading," which deals with the twelfth century, tells us this story. The king is Henry Beauclerk, the third son of William the Conqueror. "It chanced on a time, as he, with one of his sonnes, and diuers of his Nobilitie, rode from London toward Wales, to appease the fury of the Welshmen, which then began to raise themselves in armes against his authority, that he met with a great number of Waines loaden with cloth, comming to London, and seeing them still driue one after another so many together, demanded whose they were: the Waine-men answered in this

sort: Coles of Reading (quoth they). Then by and by the King asked another saying, Whose cloth is all this? Old Coles, quoth hee: and againe anon after he asked the same questions to others, and still they answered, Old Coles. And it is to be remembred that the king met them in such a place so narrow and streight, that hee with the rest of his traine, were faine to stand as close to the hedge, whilst the carts passed by, the which at that time being in number aboue two hundred, was neere hand an hour ere the King could get roome to be gone: so that by long stay, he began to be displeased, although the admiration of that sight did much qualifie his furie; but breaking out in discontent, by reason of his stay, he said, I thought Old Cole had got a Commission for all the carts in the Country to cary his cloth. And how if he haue (quoth one of the Wainmen) doth that grieue you good sir? Yes, good sir, said our King, what say you to that? The fellow seeing the King, (in asking the question) to bend his browes, though he knew not what he was, yet being abasht, he answered thus: Why sir, if you be angry, no body can hinder you; for possible sir, you haue anger at commandment. The king seeing him in vttering of his words to quier and quake, laughed heartily at him, as well in respect of his simple answere, as at his feare; and so soone after the last Waine went by, which gaue present passage to him and his Nobles: and thereupon entering into communication of the commoditie of cloathing, the king gaue order at his home returne to have Old Cole brought before his Majestie, to the intent he might have conference with him, noting him to be a subject of great abilitie: but by that time he came within a mile of Staines, he met another company of Waines, in like sort laden with cloth, whereby the king was driven into a further admiration; and demanding whose they were, answere was made in this sort: They be good-

man Suttons of Salisbury, good sir; and by that time a score of them were past, he asked again, saying; whose are these; Suttons of Salisbury, qd. they, and so still, as often as the king asked that question they answered, Suttons of Salisbury. God send me many such Suttons, said the king. And thus the further he trauelled Westward, more Waines and more he met continually: vpon which occasion he said to his Nobles, That it would never grieue a King to die for the defence of a fertile Countrie and faithful subjects. I alwayes thought (quoth he) that Englands valor was more than her wealth, yet now I see her wealth sufficient to maintaine her valour, which I will seek to cherish in all I may, and with my sword keepe my selfe in possession of that I haue."

The word "manufacturing" really means making by hand, and in this sense all the goods sold by English clothiers were manufactured in the homes of the people. This work is sometimes called household industry, not only because it was done in the homes of the people, but because the whole family was employed in it. When the merchant brought around the wool or the flax, or whatever the raw material was, the whole household went to work, and helped to turn out the finished goods. In the cities the craftsmen and their apprentices usually made their wares in the same booth or shop where they were sold. In the country homes the families were self-sufficing in many ways, producing all or nearly all that they required for their subsistence. For several centuries, perhaps from the twelfth to the sixteenth, the production of wool was the most important occupation in England, though the wool was for many generations sent to the continent to be dyed and woven. The customs mentioned in this paragraph had much influence on the later development of the English people.

**Manufacturing in Early England.**



**The Use of Money.** The simple way in which commerce and manufactures were carried on did not require a complex financial system or a great supply of many different kinds of money. "Barter," the direct exchange of one commodity for another, answered just as well, and the scarcity and high price of the precious metals made it hard to obtain coin. Down to the thirteenth century there was only one English coin in existence, *i.e.* the "silver penny," of about the size and purchasing power of our silver quarter. Other coins, gold and silver, came in from Europe gradually as the commercial instincts of the English awoke, but in the year 1215, when the first great document of the English constitution was signed by the infamous King John, probably the majority of the English people did not use coins habitually, while a large portion had never even seen one. People spoke of pounds, shillings, and pence, but such amounts existed merely as values, not as separate coins. Thus, if a wealthy farmer owed the king £2 6s. 10d., he paid the amount either in a proportionate weight of a precious metal, or in goods that he produced.

**Royal Book-keeping.** It would not be surprising to learn that with such simple ideas of money there should be primitive methods of keeping accounts. When the farmer went to pay his taxes, he found the officer appointed to receive them seated behind a table covered with a green cloth, and, apparently for convenience in counting, the cloth was marked off into squares by white tape or by chalk lines across it. From this curious way of reckoning large amounts the place where moneys were paid into the royal treasury was called the Exchequer, and the word is still used in Great Britain in that sense. Instead of writing out a receipt for the money, as would be done now, an officer standing near the table took a short stick of wood, shaped somewhat like a foot rule but thicker, and on

its edge he cut a series of notches, large deep ones for the pounds, smaller ones for the shillings, and quite small ones for the pence. Then he split the stick lengthwise, and gave the farmer half as his receipt. The story goes that the great fire that burned the Parliament buildings in 1834 was caused by overheating the furnaces while destroying the receipts that had accumulated during the centuries. The records of royal transactions were kept on very long strips of parchment that were rolled up when full and stuck into square pigeonholes made for the purpose. The English Records Office has hundreds of these "pipe rolls," as they are called, and if we wish to find out anything about the king's business affairs during the centuries before America was settled, we may consult these pipe rolls, and may learn a great many curious things.

There were many sources from which the king could get money. He had his private estates, as any other gentleman of his kingdom; he owned several titles of less worth than that of king, and each one of these titles had an income attached to it. It often happened that the king could "live of his own," as it was called; that is, his private income was large enough to meet the expenses of running the kingdom. But sometimes it happened that there was a foreign war, or some disaster at home, such as rioting or a terrible pestilence, and he needed much more money than he could raise from his own resources. During the last years of the thirteenth century the kings of England found it convenient to revive the old Saxon custom of summoning to them a group of men representing the different social classes, who might, in a rough way, be able to tell them what they wished to know about the different corners of their kingdom, or to help them with advice or assistance of any sort. In the course of a few years it seemed wise to the king to ask financial aid of his

**How the  
King got  
his Money.**

faithful Parliament. The king might say that he was supreme in all things, but he found it more convenient to ask Parliament for money than to raise it as he saw fit, and in time this action came to be understood to mean that the king must ask Parliament for money if he wished for any outside of his own income. Parliament responded to the king's request by granting him the product of a tax on the handling of wool. This amount of money was called an "aid" or a subsidy; if it was not enough for the royal necessity, Parliament would vote the king a subsidy and a half, or even two subsidies. During the fourteenth century a subsidy amounted in value to about three million dollars, but during the fifteenth and sixteenth centuries the value of money steadily fell and the export of wool declined, so that by the opening years of the seventeenth century the value of a subsidy had fallen to about half a million dollars.

**James I  
and Vir-  
ginia.**

During these centuries the expenses of the kingdom were constantly increasing, while the value of the subsidy was constantly decreasing, and since the English people change their customs very slowly, James I, who began to rule England in 1603, found himself forced to carry on the government with very meager funds. Now James was a very peculiar man; one of England's most famous poets wrote of him this epitaph: —

"Here lies our mutton-eating king,  
Whose word no man relied on;  
He never said a foolish thing,  
And never did a wise one!"

James was proud, and he was poor, and because his Parliament would not give him what he considered enough money to run the government, James wished to change some of the established customs in the manner of conducting the government. In doing this he set himself against the commercial powers in

his kingdom, and by making religious differences a pretext he managed to take away the charter of the Virginia Company and make Virginia a royal province. In a somewhat similar way he stirred up a great deal of religious bitterness and drove out of the country some of the most solid elements in English society. And these elements were, fortunately for us, the very best colonizing material. James's cross-grained temper and his meager purse were therefore largely responsible for the presence in the colonies of many men of sturdy character.



JAMES I.

Find out from an English history something about the personal appearance of this king. Of course royal etiquette would not allow a painter to show the king as he really looked.

James I was followed in 1625 by his son Charles I, a man very different in character from his father, but one who labored under even worse financial troubles, and who believed very firmly in the divine right of kings to rule. When Charles could not get Parliament to grant him money according to custom, he promptly dismissed that body, laying and collecting the taxes himself, without asking consent of anybody. For eleven years the people of England endured this tyranny before they took up arms in defense of their liberties; during this period thousands of the well-to-do middle class emigrated to the New

**The  
Poverty  
of the  
Later  
Kings.**

World. By 1643 Massachusetts Bay Colony had sixteen thousand inhabitants, including more Englishmen than could be found elsewhere in North America. Charles was defeated by the armies of Parliament, was captured, tried, and executed January 30, 1649. For eleven years his son, Charles II, was an exile in Europe, until, in 1660, he was invited to come back and take the throne. But though the people of England were willing that he should be king, they had learned their lesson, and before they would allow him to take up the scepter, he was compelled to make promises that deprived him of much of his opportunity to do financial harm to England. He found himself a poverty-stricken king in the midst of a court full of poverty-stricken courtiers. The remarkable efforts of Charles and his friends to obtain money had a great deal to do with the later relations of England and her colonies. If the early Stuarts were in serious financial difficulties, the lower classes were in far greater distress.

**Poverty.** We must think of the England from which the Pilgrims emigrated as a land where the better classes lived in a certain sort of comfort; the necessities of life, though rude, were plentiful. In 1660 a clerk in a government office wrote in his diary — "my wife had got ready a very fine dinner, viz, a dish of marrow bones; a leg of mutton; a loin of veal; a dish of fowl, three pullets and two dozen of larks all in a dish; a great tart, a neat's tongue, a dish of anchovies; a dish of prawns and cheese." Yet the people that we call "poor" were very much more numerous proportionately than now, and their poverty was of a terrible sort, such as we in America cannot even realize. The laws of the land were very severe on crimes of all sorts. Even as late as 1775 there were on the statute books in England more than two hundred crimes punishable with death, and there was little tendency to be charitable to the poor, although there was

a "Society for the Propagation of the Gospel in Foreign Parts." For the poor, rigid economy was the order of the day, and hard and continuous labor was necessary for the sustaining of life. Hence there were in England thousands of people who were only too glad to emigrate to the New World, in spite of the hardships of the voyage and the dangers of the new land. The people who dared the dangers of sea and land were no weaklings in character; their bodies might be sickly, but their hearts were so set on high aims that bodily ills did not count. Their magnificent perseverance conquered every possible difficulty, and produced in their children a character even more unbending to tyranny than their own. The people who left England in the seventeenth century and came to America were of a sort most likely to protect their liberties, even to the point of war, in the eighteenth century.

If we compare the developing character of a man with that shown by a nation as it develops, we shall find a great resemblance. The effect of our surroundings is to develop in us habits, good or bad. These habits get such a strong hold on us, that sometimes to conquer a bad habit seems a superhuman undertaking. Fortunately there are also good habits, formed sometimes by chance, but usually as a result of hard work and discipline. A man is usually the worst possible judge of his own character; he may think himself a very ordinary person, or the "victim of misfortune," when others may see in him a strong man who has gained his strength by fighting his bad habits, or they may see in him a man who has weakly surrendered to certain bad influences rather than combat them. In a similar way the life led by a nation fastens on it certain habits of life; social classes may easily acquire habits that cannot be changed in centuries. For example, in the Middle Ages men in the higher

**The Im-  
portance of  
Inherited  
Traits.**

ranks in society were soldiers whose duty it was to fight for their king; they might be described as the defenders of king and country. In return for this dangerous service they enjoyed certain privileges, such as fine homes, splendid clothing, and freedom from manual labor. During the passage of many centuries conditions of life changed; the nobility were no longer defenders, but having enjoyed privileges so long, they did not wish to give them up. The contest to retain their privileges began as a part of the Renaissance, and is not yet over in Europe. The spirit of the settlers in Virginia was that of this class in society. If their ancestors had been in the habit of doing their own work, the false idea that work is beneath the dignity of gentlemen would have been outgrown, but the opportunity of personal ease offered by slave labor was too great a temptation for men with their instincts to withstand. In spite of a beautiful climate, an agricultural crop that seemed especially fitted to it, and with a sufficient supply of slave labor, Virginia was nevertheless destined to lag behind the other parts of the country where a truer conception of the dignity of labor prevailed. She was condemned to a single industry, in which there was little progress. Any form of commerce or industry that was foreign to the tobacco culture could not flourish in her borders. A similar statement could be made as to the industries of the colonies south of Virginia.

**The English  
Middle  
Class.**

Much is said in English histories about the great middle class. Hard working, economical, jealous of its privileges, all producers in some way, the middle class was the real backbone of England. But it must not be thought that these splendid traits of character had been easily acquired, or were easily kept when once obtained. Centuries of social, economic, and political hardship gave the middle class its sturdy character. When the colonies north

of Virginia were settled by these people, it remained to be seen how the changes in circumstances would affect them. Would they relapse from their inherited habits or would the new surroundings make these excellent traits even more prominent? It is a curious truth that the English middle-class people who came to the colonies developed faster along the same lines than their brethren who stayed in England, so that by 1776 America was at least a half century ahead of Great Britain. This had much to do with the outbreak of the Revolution, for there was an inevitable lack of sympathy between the colonists, stimulated to faster development by the magnificent freedom of the American wilderness, and their English cousins, held down by the same hard conditions that had forced the others to emigrate.

So we should expect to find the economic life of the Northern Colonies more varied than that of the South. Cities on the northern coast dealt in all kinds of commodities, while in the South there was only one kind of commerce in any given region. The people in the South naturally got into the habit of buying all their manufactured goods from the Northern Colonies or from Europe. The people of the Northern Colonies made for themselves whatever they needed, and this tendency to industry brought with them from England, increased by the inspiration of religious thought and the different atmosphere of the new country, created an ingenuity of brain and hand that eventually made a great manufacturing people. Rev. Francis Higginson wrote both figuratively and literally when he said, — “a sup of New-Englands Aire is better then a whole draft of old Englands Ale.”

The northern colonists often had a surplus of goods to sell. This trade provided a way to pay for the manufactured articles that they were forced

**A Different  
Colonial  
Develop-  
ment.**

**The  
Beginning  
of Northern  
Commerce.**



to buy in England; it created their shipping industry; it made it possible to use the great store of natural wealth that the new land possessed; it produced the habit of economizing time. Most important of all, every Englishman liked his independence, the feeling that in spite of his surroundings he was in certain ways his own master. It was easy for this feeling to grow beyond sensible limits, and it required a very cool head in colonial days to discuss, without heated argument, the question of the relation of the colonies to Great Britain.

**What was  
this Rela-  
tion?**

When our forefathers left their homes in the old country, it was plainly understood that they were to keep their rights as Englishmen. From the time when the first colonists arrived here, they had been guided in their behavior by circumstances. The conditions in the new country led them into new ways of thinking and doing, new ways of governing themselves, of holding land, of raising money, or of attending church. Certainly these changes seem to us justified, especially since many of them afterward came about in England. The colonists failed to see that they were leaving England behind and were cutting loose from English conditions. It was easy for them to connect in their minds their new ideas with their original ideas of the rights of Englishmen. It was for this reason that in the 1760's the slogan "NO TAXATION WITHOUT REPRESENTATION" came into use. The Americans did not seem to realize that their cousins in England had no representation in Parliament. The government of England was at that time representative only in name; it did not become so, in fact, until after the great reform bill of 1832, and even then there was another period of forty years before the right to vote became general.

The condition of England between 1603 and 1715 was especially chaotic, with a corrupt government and a general uncer-

tainty as to the law. But the thing that especially troubled the colonists was the fact that England herself did not know just how she stood in relation to her colonies. In other words, there was no settled colonial policy until disastrous events formed one. Minds and influences worked at cross purposes; the only permanent idea running through all this period of unrest was the thought that the colonies must be of financial advantage to England. Of course the early years of colonial life were so occupied with the struggle for existence that almost all manufactured articles had to be brought from England, but in about two generations Americans began to make for themselves from the raw materials at hand various things that were needed in their daily life.

**The Origin  
of the  
British  
Colonial  
Theory.**

One can hardly imagine a greater contrast than the difference between European commercial conditions in the seventeenth century and those in New England. The colonists soon found out that in the New World things must be done in a new fashion. In the Old World all commercial life was controlled by a higher authority. Great organizations called guilds, somewhat resembling trade-unions, kept a tight grip on trade and manufacture, while the existence of such bodies made the taxation problem easier for the government. New Englanders, who, after all, did not come to this country to find liberty, had no idea at first of a commercial system unhampered by restrictions. Repeatedly they tried to control the price of labor and commodities, such as corn and other grains, not only by laws regulating their use as articles of commerce, but by laws regarding their use as money. At a town meeting held at Boston, November 30, 1635, it was voted, "That Mr. William Hutchinson, Mr. William Colburne and Mr. William Brenton shall

**Early  
Commerce  
in New  
England.**

sett pryces upon all cattell comodities, victualls and labourers and Workmen's wages and that noe other prises or rates shalbe given or taken." This gives a good idea of the common theory of legal regulation of prices. It was absolutely necessary to regulate the price of such things, since they were often received by the treasurers in payment of taxes, as in the records of the town of Cambridge, Massachusetts, where on the fifth of April, 1695, "Att A Generall Town meeting of the Inhabitants, Orderly warned, it was then voted theise particulars following: . . . . . thirdly, That Corn Shall be payd in the Rate for the Town for this year ensueing att theis prizes following viz:

"Wheat att five Shillings per bushell:

Indian Corn att three Shillings pr bushell:

Rye att four Shillings pr bushell:

Barley att four Shillings pr bushell:

Oates att two Shillings pr bushell."

It is interesting to notice here that these relative prices are still nearly the same. The colonists followed this custom of legal regulation with great persistence, for they passed hundreds of such laws, and repealed them all in short order. They seem to have been sure that the principle was all right, if the practice was not! It seems to us that the Americans ought not to have been surprised when the British government applied these same theories to the plantation trade, but certainly the colonists received these attempts with most indignant astonishment. The position of the colonists seems to have been simply this, that they were doing such a great service for the mother country, and that their life was so full of the struggle with nature, that they ought to be excused from the artificial regulations of the European world.

traffic described in the previous paragraph had increased largely, and in addition there had sprung up a foreign trade of much importance. Many of the ports of southern and western Europe imported colonial products, especially furs, foodstuffs, and lumber. The last, although very bulky and therefore expensive to transport, was very cheap in the New World and in great demand in the Old. As shipbuilding became a great business in the colonies, these commodities were no longer sent in English ships owned in England, but were carried in these new colonial ships directly to the port of consignment without going through England. This was regarded in England as a great wrong, for it deprived certain Englishmen of a chance to make money.

Owners of wharves in English ports did not get the fee demanded for the right to tie up alongside the wharf. Innumerable stevedores lost the job of loading and unloading the ships. Great numbers of customs officers failed to get their "rake off"; the cities lost the profits that came from the handling of the goods, and the nation lost the taxes that should have been collected. Moreover, these colonial ships that went to European ports naturally brought back European manufactures, goods that did not pass through England; here was another similar set of losses. The reason for this direct colonial trade may be easily seen. Europeans got American goods cheaper by buying them directly, and the Americans got their European goods much cheaper than when they had passed through England and had had numerous little charges added to the price.

Effect on  
English  
Shipping  
Interests.

Another grievance of the English merchants centered around the trade between New England and the West Indies, which by 1660 had come to be a good-sized traffic, supplying the colonists directly and very cheaply with many things that the English thought should have passed through England. The colonists

would not agree to such a trade route, as they objected to the increase in price that would result. Some of these West India goods came to New England, but the larger part found their way to Europe, where they undersold English products. Now in the course of time the merchants of England came to regard their West India trade as very important, and to look on this action of the men of the New World as an infringement of the rights of Englishmen. It often happens that men engaged in any one



A SCENE IN THE LAND OF COTTON.

Cotton was by no means king, but it was a very important product of a large section of the country. Unfortunately it was the only salable thing the South produced, and to think it all-important was a very natural mistake.

business or profession get an exaggerated idea of their own importance to the country. This happened in the South before the Civil War, where men thought that the prosperity of the whole country depended on them and their product; their slogan "Cotton is King" was a great mistake. Again in the 1890's the silver men seemed to have a similar idea. Of course the fact is that prosperity is made up of a great many elements; no one is essential, though a great many may be important. The British merchant class had the mistaken idea that the prosperity of the whole empire depended on their

success. Hence the merchants naturally used all their influence to have laws made that would tend to throw all British maritime business into their hands. The business of the colonies was, in their opinion, to furnish the raw materials, while the English should have the profits of carrying them and of manufacturing them.

This seemed to the British government the natural order of things, but how was it regarded in the colonies? The English financial interests spent much time in "counting their money." They worried over their relative cash basis as compared with other countries, and sometimes studied that matter so intensely that they lost all sense of the real proportion of things, and thought that the nation was being ruined because the importation of gold and silver was hindered or stopped. So great a man as wise old Joshua Gee, who wrote (1730) "The Trade and Navigation of Great Britain Considered," ended his book with this paragraph: "The Trade of a Nation is of Mighty Consequence, and a Thing that ought to be seriously weighed, because the Happiness or Misfortunes of so many Millions depend upon it. A Little Mistake in the Beginning of an Undertaking may swell to a very great one. A Nation may gain vast Riches by Trade and Commerce, or for Want of due Regard and Attention, may be drained of them. I am the more willing to mention this, because I am afraid the present Circumstance of ours carries out more Riches than it brings home. As there is cause to apprehend this, surely it ought to be look'd into; and the more, since if there be a Wound, there are Remedies proposed, which, if rightly applied, will make our Commerce flourish, and the Nation happy." He had studied the trade for the year 1723, and had found that he could trace the export of more than a hundred and seventy tons of silver and about eleven tons of

Rise of the  
Mercantile  
Theory.

gold! In another place, he says, "—yet so Mistaken are many People, that they cannot see the Difference between having a vast Treasure of Gold and Silver in the Kingdom, and the Mint employed in coining money, the only true Token of Treasure and Riches, and having it carried away; but they say Money is a Commodity like other Things, and think themselves never the poorer for what the Nation daily exports." The writings of Joshua Gee show in what way the "mercantile theory" grew up.

Like most theories, the mercantile theory grew slowly; indeed, we might almost say that it became established before people realized that there was such a theory. We find traces of this idea as early as 1650, although the eighteenth century was well started before it was clearly stated, and during the Revolution we find it expressly offered as the justification for the taxation of the colonies. It amounted simply to this, that the richest and most prosperous nation was the one that had the most money in its possession. Hence statesmen considered themselves justified in making their plans with this idea as their objective point.

The colonies, as part of the nation, must play their part in drawing in the money; England must be self-supporting, and must have a surplus to export. So very important was all this, that the mother country did not think it necessary to consult the colonies as to their personal wishes or to consider their circumstances, for, after all, if the mother country should go to ruin, where would the colonies be? This is only another example of the failure of the British government to understand the situation. We must be careful not to blame them too much for this mistake, for, after all, governments, like people, must learn by experience, and one cannot learn everything in a moment.

The year 1660 marks the return of King Charles II to England. But he returned to very little power, for the whole government was in confusion, the court was poverty-stricken, and Parliament was so jealous of its rights that the king could do little. A good many of the results that were accomplished were not at all due to any good quality of the king, but to the efforts of some officers of the government to reduce chaos to order. As a result of one of these efforts Parliament, in 1660, passed the law which, with later additions, is known as the Navigation Act. This law, when it was fully formed, required that no goods should be taken to the colonies save in ships owned and manned by Englishmen. It provided also that certain colonial products, known as the enumerated goods (sugar, tobacco, cotton, indigo, and other dyestuffs), should be taken directly to England, and not to any European port. Foreigners were prohibited from engaging in trade with the colonies.

**The  
Navigation  
Acts.**

Another act of Parliament to be considered with the Navigation Act was called the "Tonnage and Poundage Act," which directed that duties should be levied on goods taken into or out of England or any of her colonies. The writers of these acts seem to have thought that the penalties would enforce the laws, but as a matter of fact the Tonnage and Poundage Act was never enforced in the colonies, and there was only an occasional effort to enforce the Navigation Act.

Here again the fault seems to be lack of experience in good government. The English government was composed of three branches, much as ours is, but there was a curious lack of harmony among the three parts. For example, the Parliament made the laws, but the actual work of government was carried on by an army of clerks governed by the traditions of the office, who did

**Why the  
Acts were  
not En-  
forced.**



business just as had the men who had previously held their places. Government officers were so poorly paid that they must of necessity support themselves by some sort of dishonesty. For example, if Parliament passed a new law about customs duties, the government clerks paid little attention to it, unless some person was interested in having it enforced. In such a case, it was necessary to pay for the service. From time to time a "book of rates" was issued, a huge volume as large as Webster's Dictionary, printed in black letter, and as difficult to understand as a Chinese puzzle. An enterprising collector could underbid the officers of other cities and so attract trade, and by a smaller "rake off" on a larger amount of business could amass a fortune. He could then sell his place for far more than he paid for it. Under such a system it is no wonder that the laws were not enforced, and that the colonists, generation after generation, came to believe that the laws of Parliament need not be enforced if one had the money to pay for breaking them. What must have been the colonial feeling when in the eighteenth century a determined effort was made to enforce the laws?

A good example of the nonenforcement of parliamentary laws is the so-called Sugar Act of 1733. The Sugar Islands were terribly reduced in circumstances, so that they were practically bankrupt. By a great effort the sugar interests secured the passage of an act calculated to help the situation in the islands. Perhaps it would have helped matters, but apparently the money gave out, for there was never the slightest attempt on the part of the customs people to enforce the law. Sometimes we find that family arrangements interfered with the laws, as in the case of Sir Robert Southworth, the head of the customs department of the British government, who was so related by marriage to the treasury and colonial departments that posi-

tively nothing could be done in any one department to embarrass the others! Such a system of government can only be demoralizing to all concerned.

William Blathwayt began his official career about 1675, as clerk to a committee that had charge of plantation affairs. He gradually worked his way into two other clerkships of much the same sort, and finally became one of the four clerks of the Privy Council. Through his knowledge of foreign languages he made himself useful to the government at the time of the "Popish Plot," and in other ways he showed his desire to rise, even if his services were not always strictly honorable. He had about as much real sense of honor as had Samuel Pepys, who thanked heaven most piously when he had been able to steal a larger amount than usual. Blathwayt saw the revolution of 1689 coming, prepared for it by treason to James II, became what we would call secretary of war under King William, and finally his confidential secretary. As William was in Holland for nearly all of his reign, Blathwayt was much more king of England than William was. He was "surveyor general of the customs" for the colonies, which means that he had complete control of them so far as the enforcement of the Navigation Act was concerned. He was frequently a member of Parliament and after 1696 a member of the Board of Trade. Some of these offices he kept until his death in 1719. Thirty years before his death, long before he came to the height of his power, his income was estimated by one of his friends to be not less than two hundred thousand dollars per year, the larger part of it coming from fees. To give a fitting climax to his story, he married an heiress! It was apparent that under the guidance of such a man, who for twenty-five years was the practical ruler of the colonies, colonial affairs could hardly be run with far-seeing wisdom.

**A Typical  
Government  
Clerk.**

**"The  
Glorious  
Revolution."**

When an Englishman speaks of the war of 1775-1783, he calls it the American war; when he speaks of the "revolution," he means the political overturn that ousted James II in 1688-1689, and placed on the throne Mary, the elder daughter of James, and her husband, William of Orange. This was far more than a mere change in the royal family; it was an entire change in the government of England. William spent very little time in England, passing nearly all his life in Holland, where he was the mainstay of Protestantism in the great contest with the power of France. Thus left to herself England found opportunity for the formation of political parties. The king's power was made more sure, and a new method of governing the colonies was produced which was designed to make them more subservient to English authority. During the years from 1660 to 1689, while Charles II and his brother James II were ruling, the king (in theory) was supreme over the colonies. This did not mean very much, for under incapable kings the colonies did much as they pleased. But William was a man of intellect and worth, with strong servants, and he did not wish to let the colonies go on in a haphazard way. Hence in 1696 was formed "The Board of Trade and Plantations," a body of men of some standing and experience, whose duty it was to control the colonies, and whose recommendations would be carried out by the orders of the Privy Council. Two men on this Board are of especial interest to us, John Locke and William Blathwayt.

**Why the  
Board of  
Trade  
Failed.**

The good intention of this action was never carried out. The British government was so disjoined that the recommendations of the Board were often ignored. The strong men who were at first put on the Board soon dropped out, and the large salary attached to the position (\$20,000 a year in our money) made it an object of desire

to men who were unfit for such work. In a generation the Board had become a joke; one of its members, who could talk very well about nothing at all, was called by the nickname of "Trade"; the rest were called the "Board"! When affairs came to such a pass that bad poets were disposed of by being put on the Board, as was Mr. Soame Jenyns, the colonists might well despair of just treatment. The original members, advised no doubt by Blathwayt, had put in motion a very good system of keeping tab on the colonies; this system was continued nearly to the Revolution (1768), carried out in letter only. The colonial governors were required to send in long reports of the doings in their provinces, and they did so, as a rule, but the Board rarely paid any attention to these reports, and long letters, carrying news of the greatest importance, were not opened for years. So slow was the machinery of government that even when everything was done as promptly as possible, it took about two years for the governor of a colony to get an answer to such a letter. From the enormous body of these reports in the Records Office it would seem that some of the governors spent most of their time in writing. One of them, "Gabe" Johnson of North Carolina, was an exception, for once he was reminded, very gently, that he had not been heard from for about eleven years. This shows the way in which the Board was dealing with its correspondents. Another way in which the colonies were hampered by the Board was by a regulation that all the laws passed in the colonial legislatures must be sent to England to be passed on by the lawyers of the crown. These laws must contain a clause providing that they should not go into effect until they had been affirmed; that is, had received the royal sanction.

If this regulation had been faithfully performed by both parties, it would have been a very good thing, but it was uniformly neglected, and there were many cases where the colonists were driven

to their wits' end because laws that were very necessary to them were held up in England. Sometimes they passed "resolves" instead of laws, or ignored the necessity of having the laws approved. The former was done in Massachusetts, the latter happened more than once, the best-known case being in Virginia. Early in the eighteenth century the Massachusetts legislature passed a law regarding the inheritance of property, that was, in due course, sent to England to be approved. Nothing was heard from it for forty years, when it came up and was disapproved. Then it developed that the people of the colony had been living under its provisions all that time, and that a large amount of property in the colony was therefore wrongly held. In cases where laws really did come under the eyes of the royal lawyers, there was so little sympathy that laws most necessary for the good of the colonies were often disapproved in summary fashion, and their authors censured roundly. It will be seen from this, that the creditable purpose of the Board of Trade, to cherish and encourage colonial trade, was entirely frustrated. Misunderstandings and friction of all sorts could only follow such bad administration, and the colonists could only become more confirmed in their attitude of suspicion toward the mother country. Thus the only sensible attempt to control the commercial relations between Great Britain and America was a dismal failure.

**Lack of  
Coin in  
New  
England.**

One of the serious drawbacks in the business life of the colonies was the lack of "change." Wampum, the currency of the Indians, was found inadequate in many respects. It was very bulky and of uncertain value; from four to six beads passed for a penny in value, white beads being worth only half as much as black. In default of any sufficient amount of standard money it was necessary to have recourse to barter, or to the use of staple goods as a



"OLD MASSACHUSETTS."

The oldest of the buildings at present in use at Harvard College, and the oldest schoolhouse in use in the United States. Its old plank benches recall the days when a boy came to college with a load of wood or of corn, or leading a cow.

means of exchange. This was called "country pay," and in order to establish a basis of value in exchange it was thought necessary to have the general court fix the price of all commodities by law. This immediately gave rise to all sorts of disputes as to the relative value of goods. The position of colonial treasurer, who was obliged to receive all sorts of articles in payment of taxes and dues, was not an enviable one when these goods turned out to be of poor quality, or lessened in value on his hands. In 1656 "The secretary, as agent for the coloneys two yeares past, was payd by the Treasurer forty-two pounds odd money in Indian corne, at 3 s per bushell, which he could put off but 80 bushells at 2 s 6 d per bushell, on their account, with much discontent, not makeing two shillings or above of the rest; the money was payd for the country account in England, & therefore the Court thinkes meet to allow him ten pounds for such his loss, to be payd him now by the Treasurer." It was impossible to make bargains for any future time, on account of the uncertainty regarding the future value of goods. It often happened that because of a great abundance or an unusual scarcity, the natural and the legal price of goods varied at different times. At such times it became necessary for the lawmakers to pass some new regulation regarding the price. It is interesting to note that in 1659, and probably much later, the students at Harvard College, almost without exception, paid their tuition in "country pay"; even the governor of the colony followed this custom, so scarce was coin. There was some silver in circulation among the people of the colonies, brought in from outside, most of it Spanish money from the West Indies. A good deal of this was worth less than face value, through wear, counterfeiting, or "sweating," and all of it was below par from the fact that it contained but 70 per cent silver. The people of Massachusetts saw plainly that good money was needed for good business.

In 1652, in order to remedy this difficulty, the Massachusetts General Court decided to establish and maintain a mint for the coining of silver into the small denominations so much needed. They had an undoubted right to do this under the charter rights granted them, and for a long time they had no idea that they might be accused of doing anything wrong. Nowadays we consider it one of the most vital principles of government that the coining or printing of money should be confined to the highest authority in the land, but this legal principle, like many others, grew up very slowly, and in the middle of the seventeenth century it was not thought of great importance. Late in the reign of Charles II certain royal officers, who wished to make the crown more powerful, started to confiscate charters, both in England and America. In seeking a pretext for recalling the charter of Massachusetts they complained against the Massachusetts mint on the ground that "pyrats" were in the habit of taking their ill-gotten silver there and having it recoinced, so that the former owners could no longer identify it! So with the loss of the charter the mint was shut down and was never reopened, although there was still great need of money. We shall see what steps were later taken to supply the demand.

The first vote of the legislature in 1652 directed that these coins "shalbe for forme flatt & square on the sides," which seems to mean that the edges should be regular and even, not rounded and irregular. Milled coins did not come into use until 1728. The first coins minted under this law were plain except that on one side were the letters N. E., and on the other the figures showing the value, either XII, VI, or III. They were called "northeasters." These plain coins evidently were unsatisfactory, for later in 1652 the General Court directed that all the coins should "have

The  
Massachu-  
setts Mint.

The Pine  
Tree  
Shillings.



a double ringe on either side, with this inscription (Masathu-sets) & a tree in the center on the one side, and New England, & the date of the yeare on the other side." The dies were altered occasionally, but as long as they were minted the original date, 1652, was kept on the coins. The colonists had suffered severely from a lack of coinage, and they did not propose to allow these small coins to leave their borders; so they saw to it that there was only seventy-five per cent of silver in the alloy. The coins did wander widely, however, and the efforts of Mr. John Hull, the mint master, did not serve to supply enough currency. Hence country pay and Spanish coins continued in use among many of the people, and it must be confessed that the pine tree shillings failed as an attempt to help the situation.

**Need for  
Legal  
Coinage.**

The "glorious revolution" of 1689 did not bring to the people of New England the help that they wished. A new charter was granted, but the friction between colonial and home government almost immediately became greater than ever, because many of the most pressing needs of the colonists were ignored, and the Americans felt obliged to help themselves. The business situation in the colonies was worse than it had been for a long time. Virginia felt the low price of tobacco very keenly; Indian troubles at home and wars in Europe interfered with commerce, and the help they should have had from England did not come. Moreover, the West Indies, with which the colonies had so much to do, were far from prosperous. The people of the Massachusetts Bay Colony were the first to devise a scheme to remedy the money troubles; they believed that if these could be helped, the commercial situation could not fail to improve. The immediate cause of the legislation was the scarcity of money, and the necessity of meeting the expenses of the wars.

There could be no doubt of the necessity. There <sup>The</sup> were many debts to be paid, and the pay of the sol- <sup>Necessity.</sup> diers was a debt of peculiar honor. A pamphleteer of 1690 said, "Silver in New England is like the water of a swift Running River, always coming, and as fast going away; one (in its passage) dips a Bucket-full, another a Dish or Cup-full for his occasions; but if the Influx of plate from the West-Indies be stopt but for a little while, and the Efflux in Returns for England continue, will not the Mill-pond be quickly drained, so as neither Bucket nor Cup can dip its fill?" New Englanders did not realize that their plunge was destined almost to drown the American people under a sea of paper money perplexities for the greater part of two centuries, before they should learn how to manage this risky servant. Nearly all the colonies followed the example of Massachusetts in the next century, some of them driven by the same necessity, but many of them without any excuse at all. The colonies that did a large importing business did have some shadow of excuse for their action.

This is a name given to one of those mysterious <sup>Gresham's</sup> tendencies in the world, which are so uniform in <sup>Law.</sup> their workings that we speak of them as laws. The simplest statement of it is that bad money always drives out good money; it does not always work in the same way, but the effect is always the same. If a man has a roll of bills, and there is one of them that looks worn and dirty, he usually tries to get rid of that one; or if he has a handful of silver, he usually keeps the brightest and freshest looking. If a man wants to hoard money, he naturally lays away the best gold pieces that he can find. In these and many other ways the good money always tends to stay in people's pockets, while the bad money tends to stay in circulation. In our own day it makes no real difference what we keep and what we spend, for all our money is good for its face value; so it is

hard for us to realize that what is to us a matter of whim was a very serious matter with our forefathers. This is the way in which Gresham's law worked with them. The colonies did a large importing business with Europe, but although they always sent a great deal of goods over, after about 1700 what they bought back from Europe annually amounted to more than what they sent. So the colonies were always in debt to England, and had to pay this balance in some other way than "country pay." The "balance of trade was against them," as the economists would say. The only way to pay this balance was in money, this meant that gold and silver in large quantities would have to go out of the colonies every year. Now it happened that the gold and silver coins already in the colonies were an odd collection, brought from everywhere, some good and some very poor in actual value. Hence the English merchants to whom this debt was due would take these coins only at the actual value of the metal in them. So when an American merchant paid his debt in England, he selected the best coins that he could find, for even then the value of them fell from twenty-five to forty per cent when they were melted down and recoinced into English money. This process, kept up indefinitely, left in the colonies a very large amount of poor coin, so poor that people did not like to accept it in trade. We shall see later how this necessity of exporting the best coins made great trouble for us in one of the great crises of our national existence.

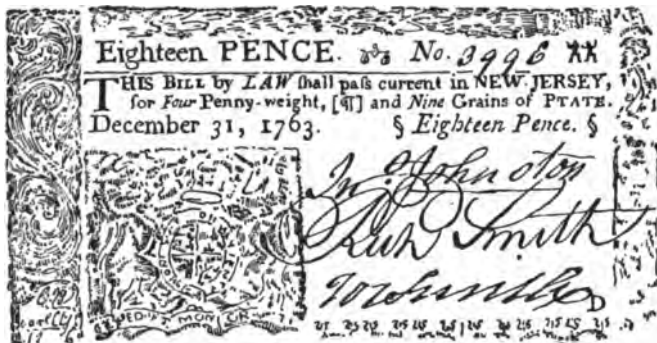
**What were the Coins Worth?** Another bothersome part of the problem was that the coins differed in value in the different colonies.

Thus the "piece-of-eight" passed in England for 4s. 6d., but in Massachusetts for 6s. The eighth part of a piece-of-eight was a shilling in New York (hence the expression, York shilling), while in New England and Virginia it was only 9d. and in Pennsylvania it was worth about 11d. In 1704 the British

government tried to obtain uniformity in the colonies by making the Massachusetts valuation the colonial standard; this is just another example of the folly of trying to check economic evils by passing laws against them. It is a human instinct to do something quickly when in trouble, and often, in our perplexity, we do the wrong thing, and this was what happened in the colonies during the first half of the eighteenth century.

The experience of Pennsylvania proved that it is possible for honest, cool-headed people to use paper money safely, but in most of the colonies it became a craze. Presses could not print the money as fast as it

**The Paper  
Money  
Issues.**



SPECIMEN OF COLONIAL PAPER CURRENCY, 1763.

"Plate" is for "Plate," i.e. silver bullion.

was wanted, and by 1740 the colonies had found out that they had simply made a bad matter worse. Their paper money had fallen in purchasing power until it was worth only a fourth or a fifth of its face value in hard money, or even less than that. As we have already seen, the Americans felt that England should have helped them out of their troubles. Indeed, the financial situation in the colonies did become so bad that the British government was frightened, and took partial measures to aid the col-

onies. It was careful not to do too much, for it feared the competition of the Americans if they should become too prosperous. The sober minds among the colonists felt that, cost what it might, the paper must be redeemed with hard cash and retired from circulation. In this task they received timely help from England, for while the balance of trade was about equal in 1700, by 1760 the colonists bought every year nearly four million dollars' worth of goods from England in excess of what they sold to her, and unless this great sum could be paid, commerce east and west must stop. When the Revolution began, the Continental Congress issued paper money again, and the experience was repeated, until Hamilton's scheme for funding all evidences of debt at their face value brought order into the system.

**Commerce,** It seems remarkable that the Americans devel-  
**1715-1775.** oped such a prosperous commerce when financial conditions were so poor. How could so large a yearly debt be paid when there was so little to pay it with? The answer to this is really not difficult. The Navigation Acts, as has been already stated, were never enforced, and only occasional half-hearted attempts were made to bring them into notice. This fact resulted in the growth of a gigantic system of illegal traffic, illegal because it was against the laws of England, but justified in the eyes of the colonists by the idea that it was allowable to evade unjust and tyrannical laws. That there was such a trade was an open secret. The colonial governors knew it and reported the fact continually, but so long as customs officers would sell false papers and would do everything to aid the traffic that brought them in large quantities of "eye-salve" and "palm-oil," and so long as the British government did nothing, the people of the colonies went on enjoying their trade until it assumed proportions far larger than the officially reported commerce. This brought in a great quantity of goods that could be used as pay-

ment, as well as much hard money useful for the same purpose. Trouble arose because much of this illegal trade was with the foreign West Indies, who were glad to sell their molasses to Americans, and would gladly buy European goods of any one who would sell cheaply. This led to the so-called "Sugar Act" of 1733, an act that tried to prevent the carrying of goods from the foreign West Indies to America. This act confirmed the Americans in the belief that the British government was unjustly interfering in their commerce. At the same time it failed to help them solve their great financial problem.

The commerce of the seventeenth century was carried on in small ships; and even in the eighteenth century we find that a very large coastwise trade sprang up, to which the small ships seemed well adapted. This trade did not bring in money from outside, but it brought about great commercial development and made it easier for the merchants in the larger ports to gather the goods needed for their foreign traffic. The size of the vessels employed in the over-sea trade increased greatly. We find ships of a thousand tons mentioned in records of the time, and many of the capacity of seven or eight hundred tons. These vessels made longer voyages more safely and in less time than the smaller ships could. The most notable improvement, and perhaps the one that has greatly affected the history of American shipping, was the invention of the schooner type. The master builder who is given the credit for this was Abraham Robinson of Gloucester, Massachusetts, who in 1713 launched his first schooner. The combination of speed, safety, and economy of operation aided in making the schooner the typical American vessel and helped greatly to give us commercial importance among the nations.

Improve-  
ments in  
Shipping.

**The Demoralizing Elements.** It was a natural but very unfortunate thing that the Americans were led by the ungenerous attitude of the British government to carry on traffic in defiance of law, because of the far-reaching effects of such behavior on the Americans themselves. One of the effects was the prevalence of piracy, which practice was encouraged by officials and men of wealth on this side of the sea. Over-sea commerce in the eighteenth century offered chances for immense profits; one merchant asserted that he was accustomed to receive seven hundred per cent profit on European goods. But there was danger of correspondingly large losses, and the practice of winking at piracy and of sending out privateers increased this risk. The bad effect of moral laxity was evident between 1760 and 1775, when the natural feeling of affection between the mother country and her colonies underwent a hard strain.

**The Period before 1760.** The period just before the exciting events following 1760 was very prosperous in the colonies. Commerce was active; agriculture was beginning to be a source of great wealth under the influence of new ideas about crops and cultivation; such manufacturing as home spinning and weaving was an essential part of the economic life of the colonies; deep-sea fishing was prosperous. In two respects, however, the colonies were suffering, and unfortunately both of these difficulties were considered the fault of a neglectful government in England.

**Lack of Capital.** Financial conditions in the colonies were so uncertain that people of means did not dare to risk all their capital in any one project. As has already been said, it was a time of great profits and great losses, and the fact that probably half the commerce of the colonies was illegal added to the difficulty. It was really impossible for any large amount of capital to be amassed, even though many men went into partnership. There were "merchant princes," but no "captains

of industry," and the amount of property finally credited to such men as Peter Faneuil, when compared with the total amount of business they did, reveals great losses that they were obliged to suffer. This insecurity in the business world helped to "keep the colonies down." The Americans found that there were Englishmen who stated openly that that was just what the colonies needed !

It is hard for us to understand just how people regarded the illegal trade that existed all around the coast of England, even in her largest ports, as well as in her numerous colonies. Everybody knew that it went on, yet no one seems seriously to have thought of trying to stop it. Most people did not consider it morally wrong. In time of peace the English government probably was none the worse off for its existence. But in time of war the government increased its vigilance over smuggling and thought no longer about what it might lose, but about what the enemy might gain. Naturally it was annoyed because the enemy could get from the colonies the one essential thing, food. We have already seen the part played by the colonies in the prolonging of the Seven Years' War. The immediate effect on the colonies was good rather than bad, for the gold and silver brought from the West Indies served to enrich the American merchants, and gave them the capital that they could have obtained in no other way.

**Contraband  
Trade in  
Time of  
War.**

The first fruits of the traitorous action of the American colonies came in 1763, when the old Sugar Act of 1733 was replaced by a new law. It had never been enforced, to be sure, but the process of preventing its enforcement had cost something, and its existence was always a menace to America. Hence America wished the old act repealed. Instead of granting this prayer, the government merely changed the terms of the act, cutting the duties in half, but making the

**The Sugar  
Act of 1763.**



penalties for breaking the law very severe. The idea was to make the punishment for breaking the law so heavy that the law would be self-enforcing, since no one would dare to break it. The effect of this act, with the threat of a stamp act following, was remarkable. The English government probably did not realize the great size of the illegal trade, or it would not have tried such desperate methods of breaking it up. One is reminded of Franklin's "sure cure for the toothache," which was to wash the tooth thoroughly and dry it in the sun for two hours ! Of the million and a half pounds of tea usually consumed yearly in the colonies, not more than one tenth came from England in the legal manner. Of the great supply of sugar and molasses brought from the West Indies, practically all was brought in contrary to law ; the fact of the matter was that, owing to the great length of coast line and the vast stretch of sea involved, England could not enforce any revenue law at all. However, she made a great mistake in trying such savage means of enforcement, for the colonies immediately began to retaliate in equally savage ways. The colonial merchants, who owed many million pounds to English merchants,—for those were the days of "long credit,"—not only countermanded their orders for more goods, but delayed paying for those that they had already received. The people of the colonies made agreements to wear only homespun, to drink no tea, to refuse to buy of men who were known to sympathize with England. Newspapers openly published lists of merchants who dealt in English goods, and urged people not to buy of such men. The poor merchants in England were driven nearly frantic by all this. They swamped Parliament with petitions, and soon all England was in an uproar, for working people were without money, because they could not get work. Men of money would not lend it, manufacturers could not get their money from retailers, and people

6

# Anno Regni quinto

ters in any Court of Probate, Court of the Ordinary, or other Court exercising Ecclesiastical Jurisdiction within the said Colonies and Plantations, a Stamp Duty of One Shilling.

Copies of Wills, Monitions, &c. in the said Courts, 6d. per Sheet.

For every Skin or Piece of Vellum or Parchment, or Sheet or Piece of Paper, on which shall be ingrossed, written, or printed, any Copy of any Will (other than the Probate thereof) Monition, Libel, Answer, Allegation, Inventory, or Renunciation in Ecclesiastical Matters in any such Court, a Stamp Duty of Six Pence.

Donations, Presentations, Collations, Institutions, Registers, Entries, Testimonials, Certificates of Degrees, &c.

For every Skin or Piece of Vellum or Parchment, or Sheet or Piece of Paper, on which shall be ingrossed, written, or printed, any Donation, Presentation, Collation, or Institution of or to any Benefice, or any Writ or Instrument for the like Purpose, or any Register, Entry, Testimonial, or Certificate of any Degree taken in any University, Academy, College, or Seminary of Learning, within the said Colonies and Plantations, a Stamp Duty of Two Pounds.

Monitions, Liens, Claims, Answers, Allegations, Informations, Letters of Request, Executions, Renunciations, Inventories, &c. in Courts of Admiralty, &c.

For every Skin or Piece of Vellum or Parchment, or Sheet or Piece of Paper, on which shall be ingrossed, written, or printed, any Monition, Libel, Claim, Answer, Allegation, Information, Letter of Request, Execution, Renunciation, Inventory, or other Pleading

## A PAGE OF THE STAMP ACT.

The colonists knew that the English considered too much education dangerous for the colonial mind; hence they saw in the duty of £2 (\$30.00) on diplomas a direct hit at a great blessing.

found, when they estimated it, that more than one fourth of all the commerce of England was concerned with the colonies. In short, English trade was sure to be ruined unless Parliament forbore to afflict the colonies with the stamp tax. And although the storm blew over for the time, great mischief was done.

**The Mischief.** By 1765 there were many in the colonies who were wealthy, and who saw before them a wonderful opportunity for getting more wealth by better and safer means,



THE "STAMP ACT" STAMP.

This stamp was embossed on a piece of heavy blue paper only a little larger than the impression. Before the embossing was done, a little piece of the paper was punched out and a piece of soft metal let into the hole. Then the embossing was done, and a "sticker" a little smaller than a two-cent stamp was pasted on the back, covering the metal. This was to prevent counterfeiting. Remember that these stamps were never actually used. In this photograph the sticker is enlarged to show the design. From the specimen in the Library of Harvard College.

and of securing political power in proportion. These men were frightened by the possibilities of the mischief that might come from George and his advisers. There were many in the colonies who were not leaders by any means, but who were uneasy spirits with a wish to be leaders. They needed an issue and a slogan to bring them into the public eye, and Parliament kindly furnished them with both. There were others who had served their military apprenticeship in the Seven Years' War, and who had the courage to oppose English arms if the necessity should arise. Most important of all, there was the tendency toward

expansion that was almost an instinct in the character of the American. In his stupid blindness to conditions George III tried to confine the Americans on the west, and the mere fact of this attempt was enough to excite a desire more intense even than the Americans themselves understood at the time. It is often to the deep, underlying motives, so little understood, that we owe the most revolutionary events in history.

The best picture of the colonies and colonial feeling is to be found in the report of the examination of Benjamin Franklin before the House of Commons. It often happened that men who were known to possess unusual knowledge on an important point were summoned to the bar of the House and questioned by the members so as to bring out the facts desired. In the early days of February, 1766, when the question of repealing the Stamp Act was before the House, Franklin was summoned as the one available man who knew all about colonial conditions. Franklin was one of the greatest actors of all history; he had an expression of singular simplicity, a simple honesty that seemed to forbid any possibility of deceit. Yet he had a way of saying and doing things that left a decided sting. He frequently told the whole truth about matters, and people did not know whether to pity him because he knew no better, or to be angry with him. So when he was to appear before the House, his examination was partly arranged beforehand, so as to bring out certain facts.

**Franklin  
before the  
House.**

*Question.* "What is your name and place of abode?"

*Answer.* "Franklin, of Philadelphia."

Franklin succeeded in getting the attention of his hearers at once. The word "franklin," the Saxon for freeman, appealed to every Englishman, and especially to the love of freedom that

is so strong an element in the English character. The very name "Philadelphia," city of brotherly love, was a reproach to the English way of treating the colonies. How could one know whether to ascribe all this to accident and simplicity, or to the most careful forethought?

Many things were brought out in striking fashion in the questions and answers. The colonies were in reality very heavily taxed, and bore many expenses that might well be borne by Parliament, and in the late war the colonies had raised and paid 25,000 men, while England had made good only a very small part of this defense expense. The people of America would not submit even to a moderated stamp tax unless compelled by force of arms. The population of the colonies doubled every twenty-five years. The colonies had not objected to "external taxation," but to the attempt of Parliament to interfere in the private affairs of the colonies. Manufacture on a small scale was general throughout the Northern Colonies. The colonies were always ready and willing to grant aids to the crown. The most important answer in the whole examination came when Franklin was asked about the effect of a tax on the necessities of life, and he answered, "I do not know a single article imported into the Northern Colonies, but what they can either do without, or make themselves." The most dramatic point was at the very end: —

*Question.* "What used to be the pride of Americans?"

*Answer.* "To indulge in the fashions and manufactures of Great Britain."

*Question.* "What is now their pride?"

*Answer.* "To wear their old cloaths over again, till they can make new ones."

Though this should have been a revelation to George III, he did not seem to notice it in the least.

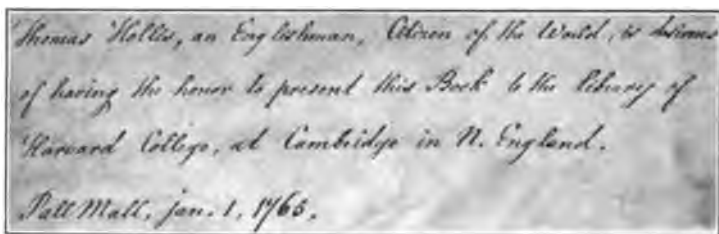
When the quarrel between colonies and mother country had gone so far that Parliament felt it necessary to punish the colonies, the question arose, how best could the colonies be made to recognize their guilt? The British government failed to heed Franklin's statements, for it had the idea that the rebellious feeling was confined to the Northern Colonies and to a few individuals. It also failed to realize that its own mistaken policy had developed in the Americans a disregard for English law, a confidence in their own powers and the righteousness of their cause, and an ingenuity that enabled them to supply all their own wants. With inconceivable folly George thought that it would be very easy to crush the rebels by temporarily crushing their commerce; he liked to talk about keeping the colonies in a state of "subjection" or dependence on the crown, not realizing that by throwing them on their own resources he was simply making it more difficult to subdue them in the end. George found the Five Intolerable Acts a failure, just as all the attempts at taxing the American colonies had been. But they were worse than a failure, for by driving the colonists to desperation, the king took their attention from their commercial woes, and focused it on their political grievances. So poor George worked the destruction of his most cherished plans.

**The Five  
Intolerable  
Acts.**

Fortunately for the cause of American independence, the Parliament of England was completely under the thumb of George III. It was hard enough to get an idea into George's head, but impossible to get one out, even though unfortunately it might be a wrong idea. Though there were men of wisdom in the kingdom, George employed the worst possible ministers simply because they were the only men who would do his will regardless of right or good judgment; he employed the worst possible

**Commerce  
and Money  
during the  
Revolution.**

generals and admirals, because better men would not serve him. He had the worst possible ideas of colonial conditions, because his mind was narrow and sluggish, and he could not learn by experience. Believing in the divine right of kings to rule, he thought that whatever he did was right, and that whatever he believed must therefore be true. One of his fixed ideas was that the revolt of the colonies was encouraged by their foreign commerce, and that if he could only destroy that, he would



A BROAD-MINDED ENGLISHMAN.

From the title-page of a book in the Library of Harvard College. It is well to remember that in spite of the narrow-minded men around George III, there were some who would have avoided trouble with the colonies.

starve out the rebels. George III did not believe the statements of Benjamin Franklin. He wished to make friends in the colonies, so he ordered that money be borrowed, even at ruinous rates, and be spent in the colonies for supplies of all sorts for the army. The colonists accepted the gold gladly, promptly pocketed it, and went on writing pamphlets and molding bullets. The French also wished to make friends in the colonies, and in addition to lending them several millions in gold, though it was hard to get, the French army and navy spent a great deal of money in every place in which they stopped. In accordance with Gresham's law, this money was also held in reserve. One traveling in the colonies during the Revolution would have found that the country was very poor, lacking hard

money, but with an abundance of worthless paper money. The guarantee behind this paper was worthless, hence the paper speedily became so. When the Revolution ended, there was plenty of good money in the country. The problem then was



SPECIMEN OF CONTINENTAL PAPER CURRENCY, 1776.

*Tribulatio ditat* means Trouble enriches.

to bring it out into circulation. Commerce existed, with a great demand for goods, but until law and order were assured there could be little trade on a large scale.

When, after the Revolution, the new nation set 1783-1789. out to establish a government, intercolonial jealousy proved a great hindrance. Each state feared for its rights in competition with other states and hesitated before the necessity of giving great power even to the national government. The government must provide for commerce, foreign and domestic, a solid system of money, and a chance of development. For



all of these purposes there was need of a strong central government, able to take care of itself and to make its laws respected, but six terrible years passed before the people acknowledged this fact. During this time there were many who thought anarchy the only possible end. Honesty in commerce and finance seemed hard to stick to in times when circumstances were against honest gains. The making of the Constitution of the United States shows how thoroughly the men of the time were aware of their needs, and how well they provided for them in the government. Their Constitution has stood the test of time so well that after the lapse of more than a hundred and twenty years, it still remains the best and simplest fundamental code of law in the world.

## CHAPTER VIII

### COLONIAL GOVERNMENT

THE first elements that entered into the formation of the English race were the Brythons and Celts of prehistoric times. Next it was influenced by Romans, then by Germans (Saxons, Jutes, and Angles) and Northmen (Danes and Norwegians), and finally by the Norman-French. Each of these peoples came to the island, conquered it, and was absorbed into the population, losing its separate language and national characteristics in the formation of an entirely new national type. Throughout this long period of development the ideas of government that prevail in England and America to-day have been gradually formulated.

**English  
Ideas of  
Government.**

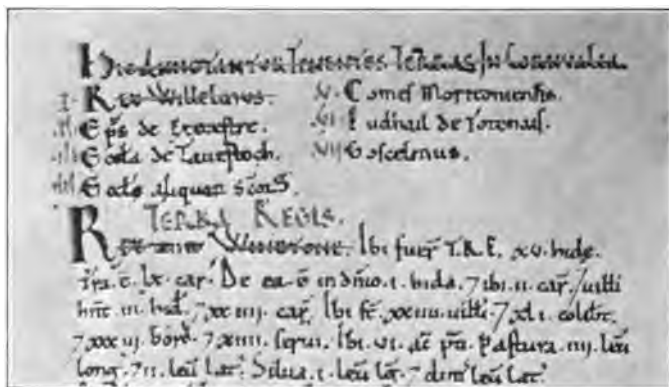
In the days before the final conquest of Britain (1066) the government of England was a very loose form of monarchy. Local divisions of the country were self-governing, and had some recognized authority in the representative body of the larger divisions. Thus the average man had a good deal more freedom than we are apt to associate with a medieval monarchy. The largest representative body in the kingdom was the Witanagemot, or assembly of "magnates." This met at irregular times and places, and was attended by such great men as the king chose to summon, certain clergymen, and men representing the other classes of society. The duty of this body was to advise the king, and to spread the knowledge of the laws. The working of this system depended largely on the character of the mon-

**Early  
English  
Conditions  
much like  
American.**

arch; sometimes the Witan was hardly more than a form, sometimes it practically governed the country. However, the idea grew slowly that the government was for the benefit of the people, and that they therefore had a direct interest in it. This attitude was simply a survival of the old free spirit of the Germanic peoples.

**Breaking  
the King's  
Power.**

With the coming of Norman William in 1066 the whole system of representation threatened to collapse, for William intended to be an absolute monarch. However, the Norman kings found by experience that local government, aside from the question of taxation, was best



PART OF THE DOMESDAY BOOK.

This shows the beginning of the section relating to Cornwall. The lighter shading is in red ink in the original, and the lines drawn through the words are to emphasize them. The translation is as follows:—

“Here are shown those holding lands in Cornwall.

- |                                     |                          |
|-------------------------------------|--------------------------|
| I. King William.                    | V. The Earl of Moriton.  |
| II. The Bishop of Exeter.           | VI. Judhail de Totenais. |
| III. The church of Tavistock.       | VII. Goscelin.           |
| IV. The churches of certain saints. |                          |

The land of the King.

The King holds Winstone. In the time of King Edward there were 15 hides. There is land for sixty plows. Of it there is in demesne one hide, with land for two plows, and the tenants have three hides and land for 24 plows. There are 24 tenants and 41 farm laborers and 33 cottagers and 14 slaves. There are six acres of meadow. Pasture four miles long and two miles wide. Forest land one mile long and half a mile wide.”  
(Photographed from the Ordnance Office Facsimile, 1861.)

left to the control of the local machinery already in existence. William needed money, and he knew that one of the best ways to get and to keep control over England would be to establish at once a complete system of taxation. He had a list of all the property in the realm compiled to be used as the basis for taxation. It is known as the *Domesday Book*, and is a lasting monument to William's energy. It recorded all the land, men, animals, and all objects of value in England, and made it plain how much each man in the county could be taxed. The making of the *Domesday Book* is of great importance, for it was a decided break from the old Germanic ideas of personal liberty, and was a mistake that the later kings of England were to atone for most woefully. In the course of time, as the Normans and Saxons became united as Englishmen, the Norman kings came to see that the old Saxon Witan had certain advantages, because through its meetings they might secure the sympathy of the nation. So in 1295, in the revival of the old Witan, the Parliament of England was established. The struggle, which began immediately, between king and Parliament over their relative powers, especially in money matters, has extended even to our own time and, indeed, may never be settled.

When our ancestors came across the water, there was much discussion in England regarding the **The Royal Power.** powers of the king, especially in the matter of raising money. Parliament claimed to be the sole taxing power; the king objected, for this made Parliament his superior, and the Stuart kings believed most devoutly in the divinely appointed right of kings to rule. The king believed that he could have no earthly superior. It was in the midst of this confusion that the first American government was planned and put into effect, under the control of the Virginia Company. How was it possible that the colonists could be any less

"governmentish" than the stock from which they had sprung? People develop more rapidly in almost all respects in the new air of colonial life than under the old conditions. So it was only natural that changes in the theory of government went on a little more rapidly in the colonies than in England, and that in a little over a century the colonies had outstripped the mother country in political ideas.

**The Government of the Virginia Company.** In founding Virginia the English used a plan such as had been used by "Commercial Companies," organized to conduct trade. The best form was thought to be a "long distance company"; that is, one in which the governing powers were vested in a set of officers, and in an assembly or "general court" that represented the stockholders in the enterprise, the whole governing body having headquarters in England, while the business of the company was carried on at a great distance. The company was represented in the colony by a lieutenant governor and a council, who were the visible authority of the government, and whose reports to the company were supposed to carry weight. When we consider the almost total lack of knowledge of real conditions on the part of the stockholders and their evident desire to make money, it is apparent that no colony could flourish under such management. The plan was impracticable. However, it was found capable of modification. A body of the leading men in the colony, so chosen as to represent the different localities, convened to consider conditions and to report to the general court in England. From what we know of English conservatism we are not surprised at the outcome. The general court refused or neglected to agree to the wishes of the House of Burgesses, and then the Burgesses proceeded to run the colony to suit themselves! After Jamestown was founded in 1607, there followed a decade of mismanagement, and then the House of Burgesses

was organized in 1619 — the beginning of representative government in America. The actions of the Burgesses made trouble in the company, as was to be expected, and in spite of their attempts at secrecy the fact of these dissensions came out.

Owing to the lack of any system of accounting, many of the stockholders were with reason worried over the lack of profits. Many other persons were looking for some excuse for making trouble for the leaders in the Virginia Company. In the records of the company we find this under date of February 3, 1622: "After this mr Deputy propoundinge the passinge of certaine Shares from mr Carter to other psons there arose some questions and opposicons about them, Sr Henry Mildmay said he was sorry to see so much dissention and variance still continued amongst the Companie, but professed himselfe was neither of the faction or factions, and said his Majestie had lately taken notice of these differences, and is a hinderance to other mayne buissines of speaciall consequence vnto the Plantation and that his Majestie understands that diuers Aduenturers haue bin discouraged from goeing on, and wonders that so many are willinge to giue over their Shares." Although James seems to have been in favor of the assembly at first, when he found that the company was supposed to be making a great deal of money, he altered his opinion. Thus the colonists seem to have taken advantage of dissension in England, and slipped into representative government, simply following out the instincts of Englishmen. It was inevitable in the seventeenth century that any group of Englishmen, finding themselves far from their national home and in need of good government, should reproduce a government that in all essentials typified the struggle for freedom from tyranny that had taken place in England between 1066 and 1607. The struggle

was still in progress in England, and Englishmen everywhere were especially sensitive to all new ideas in government.

**English Commercial Companies.** There were commercial companies other than the Virginia Company, some of which operated in the

Far East. Certain men were interested in more than one of them; Sir Thomas Smythe was the first governor of the East India Company, which was chartered December 21, 1600, governor of the "Muscovie" company, and treasurer and governor of the London Company. He was a man of means and a reformer in religious matters, and for these reasons James hated him heartily. Jealousy of the power and supposed wealth of the Virginia Company, together with other reasons, fostered James's dislike of the leaders in the enterprise. Another leader in similar commercial lines was Sir Edwin Sandys, who was a member of the East India Company, of the Sommers Islands Company, besides being treasurer of the Virginia Company. He was an author and a traveler, as was his brother George Sandys. Sir Edwin and four of his sons were active in opposition to the king. It is no wonder that James looked with disfavor on the whole family, and revenged himself upon them by taking away the charter of the Virginia Company in 1624. The clerks who wrote out charters in the days of Charles I and later modeled them on the charter of the Virginia Company, so that James's action had little effect on colonial development.

In 1620 James had created two councils, one for Virginia, one for New England, seeing to it that the members of both were men whom he thought friendly to himself. These councils were to have charge of such routine matters as the granting of lands. In 1628 a number of Englishmen of property and position, who did not agree with the religious ideas of the times, wished to form a company for the settlement of what is

now the coast of Massachusetts, and received from the council for New England a charter for their company, to be called, in full legal phrase, "The Governor and Company of the Massachusetts Bay in New England." These settlers apparently did not know that the question of government had already been worked out on the bleak shores of New England.

We know that the Pilgrims who landed at Plymouth in 1620 intended to go to the warmer climate and more fertile soil of Virginia, and that, when they found themselves in a different place, they realized that they were really under no government at all. They followed the instincts of their race, and made a temporary government for themselves until they could get an authoritative document from the crown. This Pilgrim Compact, made in the *Mayflower*, in the little dark cabin that had been the gathering place of the travelers for so many weeks, was the first great constitutional document in the history of the American people. The loyalty of the men who wrote "the foundation stone of the American constitution" is best described in their own words: "In ye name of God, Amen. We whose names are underwritten, the loyall subjects of our dread soueraigne Lord King James by ye Grace of God, of great Britain, franc & Ireland king, defender of ye faith, etc.

"Haueing undertaken, for ye glorie of God and aduancements of ye christian faith and honour of our king & countrie, a voyage to plant ye first colonie in ye Northerne parts of Virginia, doe by these presents solemnly & mutuall in ye presence of God, and one of another, couenent & combine our selves together into a ciuill body politick; for our better ordering & preseruacion & furtherance of ye ends aforesaid; and by vertue hearof, to enacte, constitute, and frame shuch just & equall Lawes, ordinances, Acts, constitutions, & offices from time to time, as shall



be thought most meete & conuenient for ye generall good of ye colonie: unto which we promise all due submission and obedience. In witnes wherof we haue hereunder subscribed our names at Cap-Codd ye 11 of Nouember, in ye year of ye raigne of our soveraigne Lord King James of England, France & Ireland ye eighteenth and of Scotland ye fiftie-fourth. Ano Dom. 1620."

In this compact there are several things that we must notice. It is very clear that the colonists intended to be within the law in their actions; being outside their grant, it might seem that they would have no authority to make laws and ordinances, but they seem to derive their authority from the fact that they were united. Later events showed that there were black sheep in the flock, but at the time the compact was signed, at least, all were agreed. Where there was no dissenting voice, surely they had a natural right to make such rules as might be necessary in a savage land. Their right to make such a compact came from the natural right of self-defense that exists in all cases of this sort. It is evident that these men had no thought of doing anything revolutionary in making the compact. Several times in the short document they expressly acknowledge the authority of King James, though they had been practically driven out of England by his narrow-minded political ideas. It is evident, however, that they considered him their lawful king, and they wished to put themselves on record as Englishmen, claiming the rights of Englishmen. They seem to have thought that if James had known their position, he would have approved what they were doing. The third thing that we must notice is the looseness of the compact; it is not an ironclad law, but an elastic agreement to do whatever may in the future seem best for the colony. All these things are prophetic of the constitutional development of the English in North America.

In y<sup>e</sup> name of god Amen. We whose names are underwritten,  
the loyal subjects of our dread Sovereign Lord King James  
by y<sup>e</sup> graces of god, of great Britaine, France, & Ireland King  
Defendor of y<sup>e</sup> faith, &c

Having undertaken, for y<sup>e</sup> glory of god, and advancements  
of y<sup>e</sup> Christian <sup>faith</sup> and honour of our King & country, a voyage to  
plant y<sup>e</sup> first Colonie in y<sup>e</sup> Northern parts of Virginia. God  
by these presents solemnly & mutually in y<sup>e</sup> presence of god, and  
one of another, Covenant, & combine our selves together into a  
Civill body politick; for ~~the~~ <sup>our</sup> better ordering, & preservation & fur-  
therance of y<sup>e</sup> ends aforesaid; and by vertue hereof to enacte,  
constitute, and frame such just & equall Lawes, ordinances,  
Acts, constitutions, & offices, from time to time, as shall be thought  
most neede & convenient for y<sup>e</sup> generall good of y<sup>e</sup> Colonie: Unto  
which we promise all due submission and obedience. In witness  
whereof we have hereunder subscribed our names at Cap=  
Codd y<sup>e</sup> 11. of November, in y<sup>e</sup> year of y<sup>e</sup> raigne of our Sovereign  
Lord King James of England, France, & Ireland y<sup>e</sup> eighteenth  
and of Scotland y<sup>e</sup> fifth fourth. An: Dom. 1620.]

A REPRODUCTION OF THE ORIGINAL COPY OF THE PILGRIM COMPACT.

From Channing's Students' History of the United States.

**The Massa-  
chusetts  
Bay  
Company.**

The people of this company were of a different class from those who settled New Plymouth, being better educated and more wealthy, but they resembled the Pilgrims in that they were exiles for conscience' sake. The Massachusetts Bay Company in form was similar to the other trading companies, but its history was different. It is of the greatest importance, because our ideas of government have been much influenced by the experience of these men. The "adventurers" or investors were "freemen of the company," and could vote in the general court, which met four times a year to carry on the business of the company. The general court elected a smaller body, called the assistants, to help the governor of the company. The men who organized this company wished to escape from the tyranny of Charles I, to "form a particular church," and they were afraid that the king would keep a firm hand on them by the threat of confiscating their charter if they did not do as he wished. This had happened already in the case of the Virginia Company, and Charles was even more prone to do illegal things than his father had been. So, to secure their charter, they did something unprecedented, but not as yet forbidden; they moved the company, bag and baggage, to America, taking the charter with them, thus for the time preventing the king from taking it away from them. Once settled in the new world, the struggle for existence forced them into other ways of living and thinking, and the charter became, in time, more or less a shadowy document, fading from the minds of each generation until in fifty years there was probably no one in the colony who knew accurately what was in the document; very few had so much as seen it. In fact, once settled, the government of the Massachusetts Bay Company progressed naturally, growing and changing with the needs of the colony and altering with the times. From

1629 to 1684 the people of the Massachusetts Bay colony were a self-governing body.

We must not make the mistake of thinking that these founders of Massachusetts Bay colony were unusually democratic in spirit, or that they were consciously seeking liberty. What they wanted to do was to live and worship as they chose. They were very particular to keep out every one who did not agree with them on all matters. The founders tried to keep the government in their own hands by refusing admission to freemen who had the right to vote, in order that the voting privilege might be confined to a very few men. Soon those who did not have the right to vote became so many that they were able to demand that the scheme of government be changed and that other men be admitted to the voting privilege. There were still restrictions, but any man of orthodox belief and good reputation could become a landowner and voter.

The Massachusetts Bay Company looked upon itself as the sole owner of all the land in "all that

**Democratic Tendencies.**  
**Who owned the Land?**

Parte of Newe England in America, which lyes and extendes betweene a great River there comonlie called Monomack River, alias Merrimack River, and a certen other River there, called Charles River, being in the Bottome of a certen Bay there, comonlie called Massachusetts, alias Mattachusetts, alias Massatusetts Bay; and also all and singuler those Landes and Heriditaments whatsoever lying within the Space of Three Englishe Myles on the South Parte of the said River, called Charles River, or of any or every Parte thereof, . . . and also all those Landes and Heriditaments whatsoever which lye and be within the Space of Three Englishe Myles to the Northward of the saide River, called Monomack, alias Merrimack, or to the Northward of any and every Parte thereof," etc. The charter goes on to show that the company owns these lands as fully as it is possi-

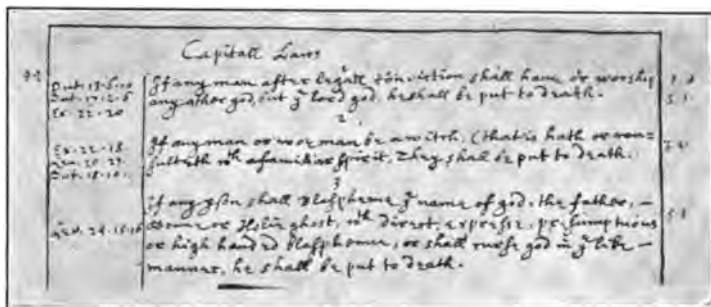
ble for a subject to own the lands of his king. When a group of the freemen of the company wished to form a settlement, they obtained a charter or act of incorporation from the general court, with a land grant having certain bounds. All the land in this area was regarded as being the common property of the whole body of petitioners; each citizen then selected the tract of land that he wished to have for himself, with due regard to the rights of the others, and ownership was granted to him by his associates.

Of course each town was glad to increase its population, but all applicants were rigidly inspected. When a family applied for permission to settle in the colony, church and town government must be satisfied before a grant of land might be made to the head of the family, and he be received as a voter and church member. If the family did not meet with the approval of the inhabitants in religious matters, or if there was anything in the history of the family that made them undesirable settlers, they must move on. They might be welcomed in Rhode Island, "the home of the otherwise minded." In this way the town's common or ungranted land slowly became smaller in area until it had nearly all been granted to settlers. In almost every one of the old New England towns one still finds a "Common," the remainder of the once unsettled portion of the original land grant. In contrast to the complex land system of England the ease of acquiring land in America was responsible for the rapid populating of the country, and we cannot be too thankful that it attracted to our shores the ambitious, hard-working, economical middle class of the English people, with many millions of desirable emigrants from other countries.

Early  
Massachu-  
setts Law.

These early settlers made such civil regulations as were necessary, together with such rules for living as their religious beliefs demanded. Then, worried be-

cause these laws were not universally understood, and fearing anarchy when the older generation should have passed away, they formulated a code of such fundamental laws as they thought essential to the welfare of the colony. In 1641 this code was written out, and it was called the "Body of Liberties," or "The Liberties of the Massachusetts Colonie in New England." These laws displayed little of the spirit of charity, and they



PART OF A PAGE OF THE MASSACHUSETTS BODY OF LIBERTIES, 1641.

- If any man after legall conviction shall haue or worship any other god, but ye lord god, he shall be put to death.
- If any man or woeman be a witch, (that is hath or consulteth wth a familiar spirit), they shall be put to death.
- If any pson shall Blaspheme ye name of god, the father, Sonne or Holie ghost, wth direct, expresse, presumptuous or high handed blasphemie, or shall curse god in ye like manner, he shall be put to death.

might have been written by the great Hebrew lawgiver, as far as stern righteousness is concerned.

The Body of Liberties was the first written compilation of laws in the English colonies, and shows clearly that even as early as 1641 the colonists had begun to depart from the accepted idea of the rights of individual Englishmen. In 1660 a larger set of laws was printed, covering nearly one hundred large pages. The men who codified these laws had a peculiar genius for this sort of thing, and it was very fortunate that they did their work so well. When the English seized New Amster-

dam in 1664, Richard Nicolls was sent over as governor. He found a colony containing many men who were not Dutchmen, but all the law was Dutch, and it was evidently necessary to adopt English laws after the conquest. So Nicolls changed the wording of the New England laws enough to apply to the colony of New York. Perhaps to forestall criticism for cribbing in this fashion, he called them "the Duke's Laws," after the owner of the colony, the Duke of York. In later days the Duke's Laws became the basic law for all the colonies as far south as Mason and Dixon's line. Hence we may say that the Puritans of New England set the pace for the legal development, as well as for the form of government, of the Northern Colonies.

**The United  
Colonies of  
New Eng-  
land.**

In course of time the Massachusetts Puritans found that they could not shut out the rest of the world; as their colony grew, they came to have interests and dangers in common with the near-by colonies, and these demanded mutual arrangements of some sort. The feeling that brought about the forming of the United Colonies of New England was perfectly natural, and the history of it is very important, for it foreshadows the development of the idea of common interests in the federal union. There were many dangers that threatened all the New England colonies in the early 1640's; the Dutch on the south, the Indians on the west, and the French on the north were all occasionally to be dreaded, and the great stretch of coast meant fear of storm and pirates at all times. Commercial safety and general prosperity must also be considered, and the good Puritans were "canny" in this particular. Hence in 1643 the four colonies of Massachusetts Bay, New Plymouth, New Haven, and Connecticut formed a confederation of a very loose form called the "United Colonies of New England." Governor Winthrop says, "...

being all desirous of union and studious of peace, they readily yielded to éach other in such things as tended to the common utility, &c, so as in some two or three meetings they lovingly accorded upon these articles." Rhode Island, being the home of religious outcasts, was of course not included in the federation. Winthrop tells why Maine was not admitted, in a way that shows well the character of the first New England Puritans, gentlemen all, stiff-necked in puritanism, lacking toleration in social, religious, or political matters. "Those of Sir Ferdinando Gorge his province, beyond Pascataquack, were not received nor called into the confederation, because they ran a different course from us, both in their ministry and civil administration; for they had lately made Acomenticus [a poor village] a corporation, and had made a taylor their mayor, and had entertained one Hull, an excommunicated person and very contentious, for their minister."

Some of the characteristics of this federal union are interesting to notice, on account of the form that they took later. Each of the four colonies was to be equally represented, although they differed much in population and wealth. The eight commissioners were to meet twice out of five times in Boston, and then in turn at the other capitals, unless some common meeting place could be agreed upon. The powers granted to the union were not large, and they were expressed in a very general way. Runaway servants and criminals must be returned. In case of serious differences of opinion between the colonies, the commissioners from the other colonies were to act as a court of arbitration. For more than a generation this union existed in New England, and was of the greatest possible help, for it carried these people safely through their Indian wars. The rock on which the confederation split was the inequality of its represen-

**Why the  
First  
Colonial  
Union did  
not Live.**



tation. The people of Massachusetts did not approve a certain decision of the commissioners, and instead of using the provision made for such cases, they simply refused to have anything more to do with the union unless they should feel so disposed! Naturally, under these circumstances the league gradually faded away. The weakest point in the confederation was the fact that it permitted colonies to withdraw in this fashion, thus furnishing a precedent for later action of similar sort. The voluntary union of 1643 was converted into an undesired union during the time of Sir Edmund Andros. After the change of government of 1689 and the fall of Andros, came the Province Charter of 1691, which combined several smaller colonies in the "Province of Massachusetts Bay," and by its provisions made definite ground for disputes that ended in the revolution. The attempt to impose a common government on the New England colonies worked even worse havoc than their voluntary attempt at common action in important matters.

**The English  
Revolutions  
and the  
Effects in  
America.**

During the colonial period there were two political changes in England of a radical nature, both before 1700 and within fifty years of each other. At both of these times the colonists were accustomed to think of themselves as Englishmen, but that does not mean that they really were, either in fact or theory. We shall get a good deal of light on the subject if we find out what happened in the colonies in each case. The first of the two revolutions covers the last years of the reign of Charles I, ending with his execution in 1649; the immediate cause was the attempts that the king made to raise money contrary to the traditions of the English people, with other lawless acts that naturally followed. This injustice had two effects: one a great migration to the colonies, especially of the well-to-do middle class; the other, armed hostility of Charles's political

and religious opponents. When the Civil War broke out in 1642, there were in the colonies many thousands whose sympathies were not with Charles since he had exiled them. The colonies did not all act the same way under these circumstances; in Virginia and Maryland it was necessary for Cromwell to send over his representatives to compel the two colonies to acknowledge the authority of Parliament. In the case of New England the people seem to have realized that the English had their hands full at home, and could not pay much attention to what was going on in America, provided that the Americans did not draw attention to themselves by any ill-timed action. So the people of New England did nothing; as Governor Winthrop said, they omitted any reference either to king or Parliament, and so took advantage of circumstances to do as they pleased. Providence favored them; for certain reasons Parliament did not assume the unpleasant duty of compelling the New Englanders to submit to parliamentary authority. These circumstances show that the colonies were vitally interested in English politics and willing to bear a part in them.

For Virginia the immediate results may be de- **The**  
 scribed as political friction, culminating in Bacon's **Results.**  
 Rebellion. The far-reaching effects were even more important, for this uneasy feeling after 1660 served to increase the local jealousy between Virginia and Maryland, and a century later this served to bring about the steps ending in the formation of the Constitution of the United States. In the case of New England the effect on the disposition of the people was very important. Having had a taste of freedom, it was only natural that they should try to continue their independent life, and this feeling could hardly meet with approval in England. In 1664 a royal commission came over with a double purpose: to reduce New Amsterdam to submission; and to try to quiet

the New Englanders and make them "more conformable." The commission failed utterly in this latter purpose, and was indeed treated with no little disrespect. The people of Boston got their forts in good shape, burnished their arms, and hid their charter. Then the Massachusetts government said that under their charter it was their duty to safeguard the rights of the people, and that it did not compel them to listen to any royal commission whatever! This was little short of treason as far as words go, while the spirit of the words was fairly rebellious. The effect of this treatment of the royal commission was to give the Massachusetts Bay Colony a bad reputation in England. One of the best and most level-headed Englishmen of the time, John Evelyn, was on a committee of trade and plantations in 1671, and on the day of the first meeting of the committee, he wrote in his diary, "... what we most insisted on was, to know the condition of New England, which appearing to be very independent as to their regard to Old England, or his Majesty, rich and strong as they now were, there were great debates in what style to write to them; for the condition of that Colony was such that they were able to contest with all other Plantations about them, and there was fear of their breaking from all dependence on this nation; . . . some of our Council were for sending them a menacing letter, which those who better understood the peevish and touchy humour of that Colony were utterly against." Ten days later he repeated the same idea, saying, "We understood they were a people almost upon the very brink of renouncing any dependence on the Crown." On August 3, 1671, Evelyn makes this record: "A full appearance at the Council. The matter in debate was, whether we should send a deputy to New England, requiring them of Massachusetts to restore such to their limits and respective possessions, as had petitioned the Council; this to be the open Commission only;

but, in truth, with secret instructions to inform us of the condition of those colonies, and whether they were of such power, as to be able to resist his Majesty, and declare for themselves as independent of the Crown, which we were told, and which of late years made them refractory." Charles II was not a patient man, and the plan outlined above and well carried out was likely to give reason for depriving the people of Massachusetts of their charter, and placing over them a government calculated to make them behave.

In 1677 the agent went to New England to look **Edward Randolph.** into matters and to gather evidence that could be used. This time it was no royal commission backed by a fleet and an army, but a solitary man. With a curious lack of a sense of the fitness of things the agent selected by the British government for this very delicate work was the worst possible man for the job. Edward Randolph was a victim of hard luck with all the faults of such a man, with a few others added. He was a "time-server," *i.e.* he would do anything to keep in favor with the powers or to gain money. He whined abominably, orally and on paper. He lacked tact in every possible way and invariably made enemies where he should have made friends. He could not learn by experience, but showed a most astonishing lack of sense in the repetition of folly. He was a faithful servant in that he carried out his instructions as he understood them, in spite of abuse and extreme hardship, and wrote numberless lengthy reports to his superiors in England.

These reports make very interesting reading, **Randolph's Reports.** especially when we remember that the information contained therein was the only material that the British government had, in which it could place confidence. The reports show how badly biased a man's opinion may become when he looks at men and events from a narrow and partisan stand-

point. Indeed, Randolph was entirely wrong in many instances, though he probably had no intention of lying. Like most men in public life during the seventeenth century, Randolph had a violent temper, to which he gave free rein in both written and spoken language. This habit probably did not make for peace, but it added picturesqueness to his writings. It certainly did not aid in the enforcing of the laws to have the officer swear violently at the people whom he was supposed to conciliate, nor did it calm the ruffled feelings of an American to be referred to as a "pitiful mechanical wretch."

**The Result  
of Ran-  
dolph's  
Work.**

It is not astonishing that Randolph collected a mass of evidence against the Massachusetts Bay Company, enough to give the royal government an excuse for taking away the charter and converting the New England colonies into royal colonies or provinces. A royal colony was ruled by a royal officer who acted at the command of the king, with no guarantee of the rights of the people except such rights as they were supposed to have as Englishmen. We must understand two facts in this place. The first is that even by 1685 the people of the colonies and those of Great Britain had differing ideas as to what were the rights of Englishmen. The second is that rights naturally imply duties. Hence it is easily seen that if the governor sent over was a perfectly honest man, determined to do his duty to the king, he would certainly bring down a storm of popular wrath on his head, for he would expect the colonists to live up to his ideas of the duties implied by the rights. The unfortunate man caught in this predicament was Sir Edmund Andros.

**Was Andros  
a Tyrant?**

It used to be the fashion to paint Andros as a "gory tyrant," but since the discovery a few years ago of a great mass of his letters it is very evident that his career was full of such misunderstandings as brought on the

Revolutionary War. Andros was the type of man who had so great reverence for the crown that he believed the fullest duty of the subject was to serve the king in all matters, to observe his laws, and to see that others obeyed them. As governor of the province of New England, Andros found that certain laws were passed by the colonists because circumstances seemed to them to demand such rules, in spite of the fact that they were entirely contrary to English law and custom. An example of such a custom was that under which the ownership of land was recognized. In England, a most complex series of rules and regulations existed, so involved that no one understood them, and so encumbered with fees that no poor man could buy land, even if it were in the market. This barbarous state of affairs remained in England until the beginning of the twentieth century. Land laws, objectionable to Andros, were regarded by the colonists as essential to their existence, and so closely connected with the welfare of the colony that ruin would result if Andros carried out his instructions. With his character and mission Andros could hardly do less than he did, and it does seem hard to call him a tyrant for having done his duty. At the critical time, when it seemed that the people were on the verge of rebellion, the "glorious revolution of 1689" occurred. This gave the people of Boston their excuse, and they promptly put Andros and Randolph in jail, where, according to Randolph, they suffered many things.

Sr

Boston, Oct. 28, 89.

I cannot without greife & astonishment, write you the ill Treamt Sr Edmund Andros meets with at the castle, according to ye Relation I receiued from a Gent to whom he yesterday made it known, & did see that Sr Edmund was kept in A low Room 17 foot long 9 foot broad, in which stand: 2 beddsteds, 2 stooles, a table & other their Necessaryes: & this is the whole

accomodation allowed him and Mr. Graham to reside in day & night: there is no Chimney in it, nor can be, vnlesse when they haue a fire they burn their beds: when they eate they open the doore and sett their table part out of ye Room, & not aboue two can sitt at it: it stands so low, that the Raine stands in the flower 5 or 6 inches & rises some tymes higher: 'tis built so that the Castle Walls make two sides of the Room & what Raine falls vpon them Soakes down so that 'tis alwayes very Damp. They are lockd vp at 6 at night & the Doores not opned till 8 next morning, & not 5 foot to walke in all that tyme. His seruant is not permitted to come to him to assist him in case of any accident; & now ye winter approaches the passage betwixt Boston & ye Castle is very hazardous & vncertain: so that vnlesse ye weather fauour he may want Bread & beer 5 or 6 dayes together, & vnlesse hee be speedily remoued the Cold will kill him: This has been presented by some Gent to ye Gour & Councill; they pretend they are sorry for it, but I heare as yet of No redresse: his keepers name is Capt ffaireweather, a very strict zelott & Church member. His villany is not to be forgot: the Gour has preserued a Great stock of Rabitts vpon the Island on which the Castle is: this ffaireweather kills & destroyes them, treats his freinds with them, & has not presented one to ye Gour nor suffers his own Cook to dresse his Diett for him: the Gour had vpon the Island a Milch Cow, being a very great louer of Milke; this Cow has ffaireweather Carried to Boston for ye vse of his family, so that the Gov can by no meanes gett any milke, but insted thereof drinks water: this is another demonstration of his extraordinary profession of Religion. I thanke God I haue gott me a little place in the Common Goal; but am in danger to be stunk vp by the Goal being filld vp with poor prisoners, especially wounded men who rott & perish for want of one to dresse their wounds:

from the mercyes of such cruell men Good lord deliuer us. Pray present the inclosed papers to such of your freinds as you think will read them: two or 3 to my wife if you please; pray lett her know that I am well, & that I am

Sr

your most obliged freind  
Ed Randolph.

Though this may seem a little overdrawn, and it may pain us to think that Sir Edmund Andros was forced to drink water when he preferred milk, there is no doubt that the people of New England hated Andros with a very deadly hatred, and were glad to get rid of him at the last. The unfortunate part of it was that they were never able to see his side of the question, or to see that there was any other side than their own. This could hardly fail to make them even more "peevish and touchy."

Even down to 1776 there was, in the colonies, a very strong feeling of patriotism, a pride in being Englishmen, and the Revolution was a terrible shock to the better part of the population. An English-

**The Outcome of these Events.**

man is always conservative; and it takes a great deal of hardship, abuse, and political wrong to make him rebel against the established order of things. The New England colonists felt the difficulties of their position very keenly; they believed that they had been tyrannically used, but one such experience was not enough to shake their allegiance to the crown of England. It was the constant repetition of the abuse of colonial confidence that at length convinced the American people that justice from England was not to be obtained, and that the only relief from an intolerable situation was separation. Hence came the revolution of 1775-1783. The next shock after the Andros episode was soon to come to the northern colonists.



The  
Province  
Charter.

The people of New England, being English, wished some established form of government, legal in all ways, and suited to their circumstances; hence some of the leading men of the colony were sent to England to obtain a new charter. These men were given quite a sum of money to use for "emergencies," but although they succeeded in obtaining a new charter, it was very far from being what they wanted. The new charter was written by William Blathwayt, who was the heart and soul of the movement in England "to secure a greater dependence of the colonies on the crown." The New Englanders found that their new charter was distinctly a backward step, for under its terms they had less political liberty than they had possessed under the original charter, and for certain reasons there was less opportunity for their liberties to grow. Instead of having complete control over their government, two great changes had taken place in their situation. The governor, lieutenant governor, and secretary were hereafter to be named by the king, and the whole machinery of justice was to be appointed by the governor, which meant, of course, by the king. The governor had complete control over the legislature, and could not only veto its laws, but could dismiss it if its doings did not please him. The charter seemed to be fair enough, for it contained the clause: "And further Our Will and Pleasure is and Wee doe hereby for us Our Heires and Successors Grant Establish and Ordaine That all and every of the Subjects of Vs Our Heires and Successors which shall goe to and Inhabit within Our said Province and Territory and every of their Children which shall happen to be born there or on the Seas in going thither or returning from thence shall have and enjoy all Libertyes and Immunities of Free and naturall Subjects within any of the Dominions of Vs Our Heires and Successors to all Intents Construccons and purposes whatsoever

as if they and every of them borne within this Our Realme of England." The governor had very explicit instructions as to what kinds of laws he must disapprove. To make a bad matter worse, not only were these officers forced upon the people by the king, but apparently the people were expected to pay them. Here was a fruitful source of bickering. Complete good feeling between governor and people became impossible, and the better and more conscientious a man was, the worse governor he made.

When should the royal officers be paid, and how much? What was a suitable salary for a royal governor? Should he be paid for doing his duty, or for pleasing the colonists at the expense of his royal master? The "great and general court" held the purse strings, in accordance with English theory, and it depended entirely on them how much the governor should receive, or perhaps it would be more correct to say that the governor's salary depended on how well he behaved, good behavior consisting in approving all the laws passed by the lower house. As for the time of payment, the governor could be paid at the beginning of the year, at the end, or on the instalment plan. To all these methods there were objections. The amounts voted for him were not the same in different years. If he were paid at the end of the year, a large sum seemed a reward for treasonable action; a small sum, a punishment for not having been complaisant. If he were paid by instalments, his salary looked niggardly. If he were paid at the beginning of his term, the colonists felt that they would lose control over their governor! The whole matter seemed to rest on the character of the governors.

In the matter of governors New England had the best fortune. Between 1691 and 1775 most of the governors were men of some standing in England, many of them were gentlemen, while

**The Salary Question.**

**The Character of the New England Governors.**

the majority intended to serve the king well. Several of them secured the appointment because they thought that they had found the golden mean, and could preserve a just balance between duty toward the king and friendliness toward the Americans. However, there was perpetual bickering between governor and province over one question or another, especially the old question of finances and salaries. In spite of much threatening by the British government the people of New England refused to vote a permanent salary for their royal governor, and in the end the colonists won. This, too, was bad for the continuance of good feeling between colony and mother country. The men of New England understood English political affairs well enough to know that the British government could not force them into any action that they did not wish to carry out, and that all they had to do was to stick to their arguments, and they would, without doubt, get their own way in the end. After this, the English government seems to have let the Massachusetts government severely alone until the unfortunate days following 1760.

**Friction in New York.** The people of New York never had any trouble with their governor over the question of a salary, because his instructions allowed him to take £400 a year from the colonial treasury without any special vote, but for all that there were many chances for friction in the financial affairs in the colony. The precise standing of the colony had been in doubt until 1685, because James, Duke of York, had looked on it as his personal property, and when he became king of England, it became a crown colony, without doubt. This long period of delay, together with the misrule of the Dutch, had made New York one of the most poverty-stricken of the colonies. When Benjamin Fletcher became governor in 1691, he found the treasury empty, as, by the way, it usually remained.

He found the colony in a woeful state so far as defense was concerned; the fortifications were almost in ruins, the guns were not mounted, the soldiers were in rags, and so demoralized from neglect that they were literally useless. He accordingly urged the assembly to provide money to repair these wrongs; a sum was granted, but so far as the assembly could see, none of it went on to the soldiers' backs or into their stomachs. Where did it go? The only possible conclusion seemed to be that it went into the pockets of Mr. Benjamin Fletcher. But the worthy governor declared most solemnly that it was not so, and that necessary expenses had eaten the money all up. No one believed him, and the assembly declared that before anything of the sort should be repeated, they would themselves examine the accounts. Ultimately Fletcher yielded, and from that time on the assembly held the whip over the governor and his accounts. This was merely reproducing a struggle that had gone on in England earlier in the same century. The English government seems to have allowed this examination of accounts to go on.

For the years between 1694 and 1702 the people of New York were absorbed in certain political quarrels of their own, and the larger constitutional quarrel was laid aside for the time. But in 1702 the New Yorkers were unfortunately saddled with the worst of a long line of bad governors. Lord Cornbury was cousin to Queen Anne and Queen Mary, but was an utterly disreputable character, lacking decency and honesty in all matters. When he came, he found the military affairs of the colony in the same condition that Fletcher had found them; at the same time that the assembly voted money to repair the forts, it gave him a present of two thousand pounds. With a singular lack of taste he accepted the gift and helped himself to the money that should have rebuilt

the forts. The next time the assembly met and money was to be voted, they agreed that if they appropriated money, it should be paid into the hands of a treasurer of their own choosing, and that he should be entirely responsible for the proper spending of the money. To avoid dishonesty, they provided also that their treasurer should be responsible also to the governor and council; that is, that his accounts should be open to inspection by all concerned. Meanwhile the governor was getting money by levying extortionate fees on commerce, and by forcing merchants and ship captains to pay extraordinary amounts on demand. This was tyranny of the Charles I brand, and the New Yorkers did not think best to submit to it. So obstinate was the assembly in the demand for its rights that in 1710 Parliament was actually on the point of taxing New York, but political changes in England postponed the attempt half a century. The colonists of New York, like those of New England, were aware that so far as practical matters were concerned they could do as they pleased, without fear of interference from Old England. In the end the assembly of New York got the sole right to appropriate and to spend the people's money, cutting the governor and council off from any share in the financial powers of government. This is exactly what had happened in Old England. In this way was laid part of the foundation for the Revolution, for many other colonies took courage from the contest in New York. By 1787 it was an accepted principle of government in America that money bills should originate in the lower house, and that only the direct representatives of the people have the right to spend the people's money.

**The Course  
of Events  
in Pennsyl-  
vania.**

There are many things in the history of Pennsylvania that are strange and inconsistent, yet they played a large part in the formation of American political ideas and in the bringing on of the American



PART OF THE CHARTER OF PENNSYLVANIA.

Penn's Charter covered four sheets of parchment, the outside triple line being in each case about twenty-six inches from side to side, and about twenty inches high from bottom to top. Observe lettering, wording, and spelling.

Revolution. Penn intended his colony to be "a holy experiment," but its course was far from smooth. Penn and his colonists always ignored their royal charter and paid little or no attention to their obligations to the king. The colonists went still farther, and paid little or no attention to Penn and to his desires; ingratitude would be the proper word to use. It is only fair to say that Penn set them the example, for after having made for them a "frame of government," he promptly forgot all about it himself, and seemed to remember it only when it could be used against the colonists. When the first frame was evidently past its usefulness as a curb on the people, he made another for the same purpose. Out of this chaos, however, came a written document (1701), known as the "charter of privileges"; it might better be called a constitution, for it was indeed a remarkable document, and served to govern the colony down to the time of the Revolution. As a matter of fact, the Pennsylvanians troubled themselves very little about king and Parliament, and evaded, in every possible way, the authority of the English government. For example, by passing all important laws for four years and some months they evaded the requirement that their laws should be sent to England every five years for approval or disapproval. Occasionally they sent a few less important measures to England for inspection, in order to keep up appearances.

**The Contest over Oaths.** One of the great troubles in Pennsylvania was that the Quakers could not take or administer to another any oath. This made little difference at first, when nearly all the colony were Quakers, but in the opening years of the eighteenth century "world's people" began to come to the colony in large numbers. This made the administration of justice very difficult, because under the English system witnesses must testify under oath, not by affirmation, as the Quakers wished to do. In

1696 the Quakers in England had obtained an important concession, in that they were allowed to testify in civil cases under affirmation, but still they could not appear in criminal cases. The people of Pennsylvania, soon after the century opened, began to make determined efforts to extend the use of the affirmation to all sorts of trials. They met determined opposition from England, but by keeping at the matter won the victory, and, after 1718, Quakers in Pennsylvania could testify in any kind of trial by affirmation. This was really a wonderful gain for the Americans, for the inertia of English conservatism is very great indeed. A still greater victory, this time a moral victory, was in store for them.

In the years from 1738 to 1776 came a generation that had not known the strife and bitterness of the early quarrels between William Penn and his colonists. Among these people were many, both Quakers and non-Quakers, who were cast in a larger mental mold, — men more liberal in life and thought. One of these men was Benjamin Franklin, another was Robert Morris, another was John Dickinson, who, after writing the "Letters from a Farmer," thus aiding powerfully in bringing on the war, served as a private in the Pennsylvania Line because he thought that he did not know enough to be an officer. During this period the colony was becoming more and more hostile to the Penn family. When the Seven Years' War was approaching, it became more and more evident that the necessities of the war could not be met under the strict Quaker doctrines of nonresistance; the necessity of making preparations for defense was very plain, yet the Quakers could not, in conscience, vote money for such purposes. Now it happened that ever since the first days of the colony the Quakers had kept control of the assembly, although by 1756 they numbered only about one sixth of the colony. So

**The Pre-  
revolution-  
ary Penn-  
sylvanians.**



they considered the question and saw that their refusal to vote supplies would endanger the colony, since it would certainly bring down the vengeance of the British government on them. So the Quakers deliberately relinquished control over the Pennsylvania government. A little thought will show what a tremendous sacrifice this was; a little thought will show the immense moral strength of men capable of doing such a thing coolly and deliberately. A little thought should have shown the government of England later on that it would be dangerous to meddle with men able to do a thing like this. But thinking was a form of exercise in which the British government of that day did not indulge. The people of Pennsylvania developed a moral perseverance that was of as great value to the colonial cause as were the constitutional victories in New York and New England.

**The  
Changes  
in Virginia.** The development of the government of Virginia was not political, as was the case of the Northern Colonies, but primarily social, with resulting political changes. We already know enough about the way things went in the Old Dominion to see that the tobacco situation was the key to the question of development. Of all the colonies, Virginia should have been the most conservative, the most like the mother country in social structure, for the most interesting tendency in the first century of Virginia history is the growth of an aristocracy of land, very much like that of England. In time this aristocracy came to include all the government of the colony, so that Virginia threatened to become more English than England herself! This similarity between the two should have led to sympathy between them, and might have done so if all had been well in the economic affairs of the colony. The movement known as Bacon's Rebellion was brought on by severe distress, but it seems very strange that, after that affair was over, the ruling class not only did not try to remove the conditions

that had brought on the trouble, but in their greed for gain they seem to have increased the friction.

Land in Virginia was held on a quit-rent basis; "**Head Rights.**" that is, the holder paid a very small sum (about two cents per acre) every year as a kind of rent, instead of paying a large sum outright in the beginning. This system permitted men of small capital to begin enterprises, whereas under different economic conditions they must have stayed in England. It also had the advantage of bringing in a steady income to the colonial government, and this, with the two-shilling export tax on every hogshead of tobacco, and numerous fees and bribes, made the governor entirely independent of any grant from the House of Burgesses. The getting of a grant of land and the size of such a grant depended on influence with the colonial officials, or on the bribe that one was able to offer. In law every man who brought a human being into the colony was entitled to take possession of fifty acres of land in addition to what he might take up; this was called a "head right." Thus, if a man came into the colony with a family of eight, with six servants and ten slaves, he was entitled to a grant of twelve hundred and fifty acres as a bonus. This system was supposed to attract settlers of all classes, since land hunger was a disease that afflicted all Englishmen, but it tended to encourage the richer men and the larger planters, since it was these who had the means of bringing in the larger families. Some who came had influence with the government and were able to escape any possible punishment for wrong-doing. People who acquired head rights were given a certificate that they were expected to "cash in" as soon as might be. One Colonel Ludlow was accused of altering his certificate calling for forty head rights, by adding a cipher at the end, thus getting control of over twenty thousand acres of land! This institution tended to throw

the power into the hands of fewer and fewer men, as time went on.

**Discontent in Virginia.** If these men had been prosperous, all might have gone on well, but trouble came because of the low price of tobacco. When the planters found the price so low that they could hardly live, there was, of course, hard feeling of some sort. There was the impression in the colony that if England chose to remedy matters, she might easily do so. It did not make the planters feel any better to know that when tobacco was worth a penny a pound in Virginia, it was selling in England for five pence. The taxes laid so frequently, the cost of manufacture and transportation, and the merchants' profits made up the other four pence, and the Virginians were convinced that of these the largest part went to the merchants. The financial troubles already described added to the feeling that injustice was to be expected from Great Britain. The constant repetition of such troubles was enough to sap the loyalty of even the Virginia aristocracy. There seems to have been discontent at all times among the small landowners, discontent, not only with their wealthier neighbors, but with the government at home as well. In time a new element increased the discontent of the people of Virginia, something very similar to the troubles in the Northern Colonies; this new difficulty lay in the character of the royal governors sent over in the later days of colonial life.

**The Carolinas.** An account of the Carolinas has already been given, so here we shall discuss only the government of those provinces. Down to 1719 the colony suffered under misrule of the worst type, and an aristocracy far worse than that of Virginia. There were no men in the Carolinas of the type of "William Byrd, of Westover in Virginia, Esquire," country gentlemen of the Sir Roger de Coverley sort, whose life was spent in the service of the public; the Nicholas Trott type seems to

have been more common. After the people rebelled in 1719, there came a brief space when they ruled themselves, then came a royal governor. So the history of the Carolinas was influenced by two elements: first, these people had had a taste of independence after as severe a dose of tyranny as people have ever experienced; second, the future of the colony depended much on the character of the royal governors. It will be observed that in the case of all these colonies their future success depended on the sort of men sent by the British government to rule the "American wilderness."

In the history of the proprietary colonies one of the most evident difficulties of the proprietor was to get some one to go out as deputy governor. Indeed, candidates were so scarce that often the unlucky proprietor had to send any one whom he could get, often a man most unsuitable. The story of the royal colonies is largely the same, especially after the year 1700. The royal officers whose duty it was to select the colonial governors had very little choice in the matter. Undoubtedly there were occasionally good and conscientious men in such places, but many of the colonial governors represented the riffraff of English society. There were several reasons for this. It was the fashion in England to talk about the "American wilderness," and the idea of privation and danger seemed inseparable from the thought of holding a governorship in the colonies. The colonies did not pay large salaries, and any Englishman who had any income at all at home could hardly be expected to go to America. Naturally the opportunities for "pickings" were small. Not that bribes were considered wrong, provided they were taken in moderation, but in the plantations almost all the bribes to be obtained came in connection with illegal trade, and there were times when the taking of these might be dangerous. Thirdly, a colonial governor was

**The Duty  
of a Gov-  
ernor.**

controlled by a set of instructions that gave him all sorts of trouble. When a government clerk made out such instructions, he first included all that had ever been given before, then he added such as seemed necessary to the Board of Trade. Copyists in those days were paid a shilling a line, equivalent to a dollar to-day, and if they could manage to spell Smith "Smythe," or French "ffrenche," or fish "ffysshe," so much the better; elaborate spelling was of advantage, and the repetition of obsolete instructions made a long and imposing document. Thus the instructions included many directions that were hopelessly behind the times, and whenever a governor shielded himself behind this document, people were prone to believe that it was only an excuse. Hence every governor who tried to be conscientious was sure to have all kinds of trouble with legislature and people. These instructions were made out in a purely mechanical way, without reference to the welfare of the people, and were totally out of sympathy with actual colonial conditions. The relation of the colony to the crown was the only thing considered, and the British colonial theory was the basis of action. Hence the colonists came to feel that their governor was a natural enemy, and that their efforts to "put him down" were well spent. All this friction, constant and wearing, was sure to be the lot of the colonial governor, and none except "broken men" or very conscientious men with the true missionary spirit cared to undergo it. Of the former there are many examples.

#### **A Bad**

#### **Governor.**

In the opening years of the eighteenth century Elias Haskett secured an appointment as governor of the Bermuda Islands, apparently because conditions in England had become uncomfortable for him. He seems to have had no money, but he was of a cheerful disposition, and he ~~did~~ not allow such a little matter to trouble him. He "bespoke a ship" to

carry him over, and agreed with numerous tradesmen to fit her out. He had the cabins handsomely upholstered and decorated; he had a large supply of provisions of the finest sort put on board; everything about the ship was to be as fine as money could buy. He agreed to settle the bills for all this splendor on a certain day, which was the day the ship was to sail, though the tradespeople did not know it. However, on the day agreed upon he invited all his creditors to a sumptuous banquet on board the ship, the payment of the bills to conclude the feast. On the appointed day the feast came off; in the midst of it Mr. Haskett excused himself for a moment to get some particularly fine wine that his steward could not find. When he did not come back, his guests found that the door was locked! Then they understood that the swaying of the ship, which they had attributed to their partially intoxicated condition, was due to the fact that the ship was making her way down the river. A hive of angry bees would be mild compared to this cabin full of outraged tradesmen, who did not understand jokes of this sort. Mr. Haskett left them to themselves for eight and forty hours, after which time they desired nothing so much as to go ashore, which he graciously permitted them to do. He might have taken them along to the colonies, however, and sold them as servants!

When Mr. Haskett reached his islands, he con- <sup>His</sup> ducted himself in a still more objectionable manner. <sup>Punishment.</sup> The islanders could not endure his tyranny, so they promptly put him in jail. Now it happened that the jail was an ill-drained place, and a cloud-burst occurring opportunely nearly drowned Mr. Haskett. Fortunately he was able to keep his mouth above water by dint of standing on his bed. His ungrateful people sent an account of his misdeeds to the British government, and Mr. Haskett was ordered to return to England for an examination. His people were not willing to take any

chances, but loaded him with chains, a gratuitous action on their part, and shipped him to New York. He happened to arrive there just after the Yorkers had jailed their late governor, Lord Cornbury, so of course he received scant sympathy at their hands. They forwarded him to England at the first opportunity. Here, however, Elias Haskett drops out of history, and we do not know what sort of justice was meted out to him.

**Effect of Such Experiences.** The evil consequence of a story like this lies in its two effects on the colonial mind. In the first place, since such governors were foisted on the colonists, they got the idea that the British government was either neglecting them, or was intentionally disregarding their interests. The former was usually the case, and it did not improve the loyalty of the colonists to suffer the results of the neglect with which they were treated. The second bad effect was the disregard for authority shown in the colonists' treatment of bad officials. It was but a small step from punishing the bad officials of a government to punishing the government itself.

**Other Examples.** Chief Justice Trott of South Carolina has already been described. Another such official was Chidley Brooke, who was collector of the port of New York in the last decade of the seventeenth century. He made more money than the governor did, which of course was an unpardonable offense, so he was removed. This apparently did not meet with the approval of the merchants of New York, which seems to show that Chidley Brooke had made his money in bribes for shutting his eyes to illegal trading. Another such character was Lord Botetourt, who was appointed governor of Virginia in 1769. He had been engaged in a mining swindle in England, and his friends secured his appointment as colonial governor so that he might avoid the disgraceful results of his fraudulent transactions. This immunity was probably the reason for the ap-

pointment of many such men. It must be remembered that the bad governors that we have been considering had their effect on the political development of the colonies, and that the colonies were often most prosperous in a commercial sense under a governor of no principle. The colonies that had the best governors, morally speaking, often had the most unfortunate history. Massachusetts is an example of this.

Of Edmund Andros we already know something. Another such man was Governor Burnet, who quarrelled with the General Court almost all the time, because he tried to live up to his instructions. In the years before the Revolution one of the best governors was "His Excellency Thomas Hutchinson, Esquire." He was perhaps the best type of colonial governor, yet he was terribly mistreated by the people, was mobbed, and was finally fairly hounded out of the colony. The vindictiveness of the people followed him to England, for when the war finally broke out, one of the first acts of the Massachusetts legislature was to confiscate the property of notorious Tories, among whom was Mr. Hutchinson. This story of misrule, lasting nearly a century, was due largely to political conditions in England.

**The Experiences of Massachusetts.**

James I, Charles I, Charles II, and James II were the most prominent representatives of the house of Stuart. There were others following James II who occupy a romantic position in song and story, but except in the two uprisings, known in English history as the Fifteen and the Forty-five, they play no real part in history. The chief characteristics of the family were their poverty and their pride; these were the causes of woes unnumbered. They tried to rule England themselves, for themselves. They did not think that this was selfish, for they believed that in a way God had created the English people for their benefit. England and the colonies

**The Stuart Family.**



were rich in natural products, the Stuarts were poor, therefore why should not the Stuarts obtain money as they wished? This did not suit the ideas of the English people at all, and, as a result, Charles I was beheaded in 1649, after a long struggle called, in England, the Civil War. Charles II, after eleven years



ONE OF THE NATURAL PRODUCTS OF THE COLONIES.

The barrenness of the soil in New England drove the inhabitants to look to other things than agriculture to piece out a living. Marble for building and for lime now forms one of the great industries, and the quarrying of granite still goes on, although the owners of the Quincy quarries sold stone for the building of King's Chapel on condition that the trustees would agree not to build any steeple, lest it exhaust the supply of stone!

in exile, came to the throne in 1660, the most disreputable of the later English kings. Then after him, James II, who after a short and troubled reign fled from his kingdom to avoid more or less imaginary dangers. Then came William and Mary, the latter being the elder daughter of James II; then his second daughter, Anne, came to the throne at the death of William,

but she was ill-fitted to rule, and her husband was a man of no strength of character. When Anne died, there was no direct heir to the throne.

For the first time the people of England had a **Who shall** real interest in the choice of a king; William had **be King?** spent nearly all his life in Holland, where all his interests lay, and had delegated the rule of England to certain of his friends. Anne, being a woman of no great force, had been controlled by people of her court, and when she died in 1714, the question with every man who had wielded any influence was, "Under what king or queen shall I have the best chance to get power?" Hence the demand seemed to be for a weak king, a man not too likely to assert himself, but willing to let others hold the reins of power.

Two men stood near the throne, but there were **The Two** in each case serious objections. One claimed to be **Candidates.** the son of the exiled James II, but many believed that he had merely been smuggled into the palace as a baby and passed off as the heir of the king, in order that the wavering loyalty of the English people might be strengthened by the existence of a little prince. The son of James II was moreover a Catholic, and the majority of the people of England did not want a Catholic on the throne. He was a young man of autocratic manners, and did not seem likely to be an humble servant to the group of men who might wish to rule through him.

The second candidate was a German prince, George of Hanover, descended from Elizabeth, daughter of James I, who had married Frederick of Hanover, "the Winter King." George was a curious character; he had never been very bright, and was so intemperate that he was hardly better than a beast. However, this royal sot had two great advantages as a candidate for the throne; he was a Protestant, and he would come

to England to be king only on condition that he should not be bothered with affairs of state. He would sign whatever he had to, for he could write his name, but as for the rest, he must be left to his amusements. His accession would afford a splendid opportunity for ambitious politicians to seize power and to rule the kingdom as they pleased.

**The Choice.** Then occurred the first real political struggle in England, to decide which prince should get the throne, and this first evidence of party rule in England set George of Hanover on the throne as King George I. Two more unpromising candidates could hardly have been found, and, as frequently happens, the man was chosen who was least fitted to rule. This would be a very good system if competition worked as it does in the business world, and selection depended on the candidate's ability to give good service to his supporters. Trouble comes when men begin to look on politics as a game, in which the good of the country is the last thing to be considered. It must be remembered that it was a new game in England; the rules by which the game was to be played had not been established, and the men who got control of the king seemed to think their power as autocratic as that of the Czar of all the Russias. They had not learned that in the mistakes of the majority lie the opportunities of the minority, and that the majority must consider more seriously what the minority is likely to do, than what it will do itself. The few men who controlled George I did as they saw fit without reference to any other consideration. They seem to have thought themselves so strongly intrenched in their power that no one could possibly dislodge them.

**The First Effect.** For nearly half a century these men remained in power, and all the time the opposition to them was gaining strength and form, and was waiting its opportunity. The chance came in 1760 with the change of government, when George

III followed his grandfather, George II, as king of England. As a young man, George III had hated these men behind the throne, and he naturally tried his best to get rid of them when he became king. George III intended to rule without any "ministers," depending on the hitherto despised Tories for advice and service. The Whigs must expect nothing but snubs. Experience soon showed George that he could not get along without ministers; and when he came to have them they were to be Tories. The plans and theories of this Tory government were exactly opposed to those of the Whigs, who had been in power since 1715.

The groups of men who ruled England after 1715 **The Second Effect.** were not necessarily bad men, but they were interested for the most part in English affairs, and colonial matters did not concern them much. Only occasionally would some member of the group show interest in the New World, but, as a rule, uniform neglect on the part of the rulers was the lot of the American colonies. Under these circumstances the work of governing the colonies was left to the government clerks. These men were conscientious workers as a rule. They kept busy; they answered letters strictly in order as they came, unless they were paid to do otherwise. They found that as time went on and the colonies became more populous and more prosperous, they fell behind in their work. They also knew that a government clerk who has the reputation of stirring up trouble is not liked, and is likely to find himself without occupation. So they wrote the instructions for the governors, and did their best to see that these directions were carried out, but when they had done enough to satisfy their consciences, they gave up the struggle rather than stir up trouble. Hence the colonies were uniformly neglected during the half century following 1715. Whenever some great question rose, the colonists knew perfectly well that a

little persistence on their part was all that was needed to gain their point. They became accustomed to thinking for themselves, and their self-reliance was so thoroughly developed that even the thought of separation from Great Britain did not daunt them very much. What happened after 1760, when England was governed by a king determined to rule, and by a political party determined to reverse the policies of its predecessors in power? It is easy to imagine that in the colonies this change from noninterference to interference could hardly seem less than tyranny.

**Growth of  
the Colonies,  
1715-1760.**

During this period of uniform neglect the colonies had increased greatly in many ways. In population Massachusetts increased from about 90,000 in 1715 to 270,000 in 1764; New York increased from 30,000 to 100,000; Pennsylvania from 35,000 to 220,000; Virginia from 100,000 to 350,000; South Carolina from 16,000 to 125,000. All these important colonies more than tripled their population in this half century, and there were many other indications of a real increase in power. The larger the colony, the faster the rate of improvement. Its wealth became greater. Its powers of resistance against Indians, foreign foe, or the tyranny of England became vastly greater. Foreign commerce increased wonderfully, and the flood of books about commerce and the illegal traffic with Europe shows that in England and America men realized the importance of this political question and the probability of its proving a rock of offense.

Education had advanced wonderfully in the colonies, as usually happens when a new people attain wealth and political power. The colonies now had professional men who had been bred and educated in colonial colleges, and who were in sympathy with colonial conditions. There were ministers, lawyers, teachers, men of wealth, doctors, who had been trained in their

political ideas by Locke's treatises on government, and who were keenly alive to the dangers of their position, tossed about as they were likely to be under a selfish, ignorant, and neglectful British government. Because of their growth and prosperity the colonies were "seething with discontent" when the mistaken policy of George III began its work. Every act of the government seemed calculated to stir up their anger. Although they had governors who tried to do right, men like Pownall and Hutchinson, these thin-skinned colonists looked only on their own side of the question.

In England there was a new king, a young man without experience, and with little intellectual power. He was at times insane and had to hand over the power to others until he came out from under the mental cloud. He was troubled by many personal worries, by serious family sorrows, but especially by an almost empty treasury and by a great national debt, so heavy that the paying of it seemed an impossibility. His most obsequious servants were called the "King's Friends," a terrible misuse of a splendid word, for all that they cared for was to get as large bribes as possible and to get even with their political enemies. It is evident that they would vote as they were told, willynilly, as long as they were paid for doing it. It seems that George III was very conscientious, and thought that his actions as king were almost divinely inspired. As a matter of fact, he was a dull observer and rarely saw things in their true light. Opposition angered him, and he looked on his political opponents as traitors; when he stated a given policy, he thought that that ought to settle the matter. A thing was right and wise because the king had said it. The colonists, then, were the "kick-ball" for this royal blunderer, and unfortunately for peace they were in no mood to accept injustice meekly.

The  
English  
Side.

**The Failure  
of the  
Governors.**

The right time to judge of the real strength of a man or of a party is when stress comes; the behavior in an emergency tells the whole story. The colonists saw that the English governmental system had made the colonial governments so weak that they hardly amounted to a bond with the mother country. When the days of the Revolution approached, the royal governors saw the power slowly slipping away from their hands. There was nothing that they could do to stop it. George III was very glad to see such a frame of mind in the colonies, and did all that he could to help it along (as in the case of New York and Massachusetts), for he thought that lack of settled government would bring the colonists to their senses more quickly than force. It had just the opposite effect. Their trading had made the colonists self-reliant in a way that the British government could not realize, though it had been warned often enough of the state of affairs. So as the mantle of power slipped from the shoulders of the royal governors, it was assumed by the people themselves. Anarchy did not result, as George III had predicted, but revolution.

**The Problem of  
Self-government.**

It was not so easy to govern all the colonies as it was to keep order in one small locality, and the experiment of a Continental Congress did not succeed very well on account of the intense jealousy between the colonies. That body served its purpose during the day of small things, but it had so little power that it could do nothing at all but advise and request the states to act. The same may be said of the Articles of Confederation. They constitute the best document of the sort that could have been accepted at so early a date, and they served their purpose. Perhaps the best service that they rendered the people of the united colonies was the proof that they offered, that a strong government was necessary to govern successfully so many millions of people, scattered over

so long a seaboard, and even then beginning to spread westward over the mountains. The problem of forming that government was the most serious problem that faced the Americans during the period just after the Revolution. The problem of working out that government, we are still trying to solve.



## CHAPTER IX

### THE CITY PROBLEM IN THE UNITED STATES

**The  
Meaning  
of "City  
Problem."** ONE of our great national problems is the question of how we are to provide for the millions of our people who are constantly collecting in the centers of population that we call cities. The question is very broad, and it covers much that affects the life of every one of us. Questions of education, of transportation, of public utilities, of fire protection, of food supplies, of the protection of life and property, of health, of the wise handling of our tendency toward expansion, all come under this head. The thirteenth census showed that the cities all over the United States were growing at a much faster rate than the rural districts; indeed, in many regions the population of the rural counties actually decreased between 1900 and 1910, making the city problem all the more important to every person in the United States. It is the purpose of this chapter to study the growth of cities in our country, and to see how this problem arose.

**The  
Original  
City Sites.** When we go to Europe, one of the first differences that we notice between the Old World and our own cities is the location of the large towns on the continent. Many of the most famous cities were founded centuries ago, when the first thing to be thought of was the problem of defense. The lake dwellers of prehistoric Europe built artificial islands, the remains of which we find now, but prehistoric men more often selected for their homes a hummock or mound in the midst of a swamp, the more inaccessible the swamp, the

better. An intricate series of stepping stones, perhaps hidden under the mud, served as an approach, and the swamp was not only a defense but a convenient place to throw the refuse of the inhabitants. So in the course of time the oyster shells and the bones and the ashes, with other sorts of débris thrown into the swamp, made a larger village. Such were the beginnings of London and Paris. The worst drawback to this plan was the unhealthfulness of the situation; the air was bad, but the water was worse, for the only source of supply was the surface wells, from which only swamp water was to be drawn.

Another form of city site was a hill fort, sometimes an earth hill, but usually a steep rock of great height; Edinburgh and Athens are examples of cities of this type. Here in early times the people lived huddled together, while at the foot of the rock they had their farms or their herds. Wars and sieges, together with the fact that the soil at the foot of these "chimneys" was not likely to be fertile, prevented these towns from increasing in numbers very fast. As wars gradually decreased and it became safe to live away from the top of the citadel, the city gradually spread out over the plain, but the really important buildings, such as the treasury and the temples of the gods, remained on the height. Very few of the older cities were built in exposed positions even for the sake of commercial advantages; these came later, when society had become more settled and when the art of fortification had been more fully developed.

From the earliest times to the fifteenth century **The Lack of Growth.** there was little change in the plan of these cities; they simply became larger without improving in any way. Pavements were unknown, and in time of rain the streets of London and Paris were quagmires. The streets were not separated from the sidewalks, and pedestrians in the narrow ways were always in danger. Commerce was seriously impeded by

such conditions. Street lighting was unheard of, and people who were obliged to go about at night carried torches with them, or were accompanied by armed servants bearing "flambeaux."

Water systems, sewerage or garbage disposal systems, were alike unknown. People threw all their refuse out of the windows, sometimes at a given time, as in Edinburgh, where at nine o'clock at night the cry of "gardeloo" warned passers-by to dodge into doorways to avoid the streams of refuse from the upper windows. The surface of these old cities has risen many feet during the centuries; in London, for example, the old Roman pavements are from fifteen to twenty feet below the present level of the city. Is it any wonder that terrible pestilences, such as the "Black Death" of 1349, found fertile fields in such cities? Indeed, it is hard to describe the awful condition of the European cities as our ancestors knew them, and many of them have continued to be as bad even until recent years. Within half a century travelers have spoken of "imperial Rome, sitting serene on her seven hills," as so filthy that one could hardly endure the air or the sights. A good description of such a city is found in the writings of Coleridge, who had always wanted to go to Cologne, and whose dream was at last attained. His impressions are best told in his poem: —

"In Köhln, a town of monks and bones,  
And pavements fang'd with murderous stones,  
And rags, and hags, and hideous wenches;  
I counted two and seventy stenchs,  
All well defined and separate stinks!

Ye Nymphs, who rule o'er sewers and sinks,  
The river Rhine, it is well known,  
Doth wash your city of Cologne;  
But tell me, Nymphs! what power divine  
Shall henceforth wash your river Rhine?"

Try to imagine the change from these Old World conditions to the cleanliness of the New World.

Our English forefathers always founded their new homes in the most convenient places. It often happened that they were at first mistaken in their site and that they were obliged to change their plans. In Virginia, Jamestown was planted in the most unhealthful spot on the whole Atlantic coast, and was of necessity abandoned. In South Carolina the first settlement at the mouth of the Ashley and Cooper rivers had to be moved. In Georgia we hear of the "lost towns," blotted out by the sea and the sand. Nearly all the early towns were situated near navigable water, salt or fresh, and some of the people with Old World ideas thought that they were too much exposed to attack by sea. This was the case in the Massachusetts Bay colony, where the people of Boston felt that the commonwealth that they hoped to found should have its capital farther from the sea, and in a more defensible place. So they planned the city of "New Towne," the modern Cambridge, and built thereabout a palisade of great logs as a fortification. But the colonists found that the immensity of the New World was its best protection, and that their enemies would find it difficult to attack a few struggling settlements scattered along nearly two thousand miles of seacoast. So while all the early settlers built forts, they were not really very formidable, being, for the most part, so small and out of repair that, on the rare occasions when they were attacked, they were soon obliged to surrender. The ships of those days were of shallow draft, and could go up many rivers and into many harbors that we do not now consider navigable. The *Mayflower* drew fourteen feet of water and was of one hundred and eighty tons burden. Probably most vessels in the colonial trade before 1700 were not much larger, though after 1700 vessels drawing three or

City Sites  
in the New  
World.

four feet more were in use. Since the export trade was so important for the welfare of the colonists, evidently the chief thing to be thought of in the situation of a city was that it should be on navigable water.

**The Stages of Growth.** For a long time, perhaps a century, the people of the colonies kept in coast towns, for mutual protection as well as for commercial advantages, and the population did not spread very much. There were outlying farms, but as a rule the houses of the people were grouped together. The first step in expansion came when a lull in Indian troubles gave a little relief from the constant fighting; yet within fifty years after the settlement of Boston there were still Indian uprisings within five miles of the town. Then when the spreading out of the population was well under way, the trade of the colonies began to gain in importance, and an increasing body of men became interested in commerce, although many of them owned and operated farms. As commerce gradually became larger, this body of city dwellers naturally increased, and by the time of the Revolution there were several of these seaport towns with a population of at least ten thousand. We can understand the story of all of these from the history of one.

**New York in 1628.** New York in 1628 must have been a poor place, according to the description of the Rev. Jonas Michaëlius, who wrote much about it. "Food here is scanty and poor. Fresh butter and milk are difficult to obtain, owing to the large number of people and the small number of cattle and farmers. . . . We need nothing so much as horses and cows, and industrious workers for the building of houses and fortresses, who later could be employed in farming, in order that we may produce sufficient dairy products and crops. . . . Ten or twelve farmers, with cattle and land in proportion, would be sufficient to help us out of all difficulties. True, this island

is the key and principal stronghold of the country, and needs to be settled first. . . . They are meanwhile beginning to build new houses in place of the hovels and holes (*van de hutten ende oolen*) in which heretofore they huddled rather than dwelt." He went on to say that labor of any kind is entirely lacking. "Some Directors and Heads, by bad management, have rather kept back than helped the country, and many among the common people would have liked to make a living and even to get rich in idleness rather than by hard work, saying that they had not come to work; that as far as working is concerned they might as well have staid at home, and that it was all one whether they did much or little, if only in the service of the company. Such melancholy (*dierge-lycke*) expressions were the burden of the song one heard all the day long. And this sort of people are all, in course of time, reshipped home as useless ballast." This certainly shows a very poor sort of city, so poverty-stricken that it was of little value. It is curious to note the sharpness of foresight with which the old dominie saw the strategic importance of the island of Manhattan.

At the time of the English conquest the city had **New York** grown from the three hundred souls of the time of **in 1664.** Dominie Michaëlius to perhaps seven thousand, of whom one third may have been English, the rest Dutch. The settlement was on the southern end of the island, extending up the eastern side along the East River. There were farms scattered all over the island in suitable spots, and there must have been a good deal of comfort of a rural sort, although the foreign commerce seems to have been small. There were many negro slaves in the settlement, who were as a rule well treated. These Dutch colonists were a hard-working, economical race, eager to expand their territory, but the repressive policy of the Dutch government, coupled with the czar-like rule of Hardkoppig

Piet, made it quite impossible for the colony to grow to the best advantage.

**New York**  
in 1695.

According to John Miller, who in 1695 published *New York Considered and Improved*, the population of the city had about doubled since 1664. "As to their wealth and disposition, ye Dutch are rich & sparing, the English neither very rich nor too great husbands, the French are poor and therefore forced to be penurious: As to their way of trading & dealing they are all generally cunning and crafty but many of them not so just to their words as they should be." ". . . those things which I have said to be either wanting or obstructive to the happiness of New Yorke . . . which I count to be six 1st the wickedness & irreligion of the inhabitants. 2 want of ministers. 3 difference of opinions in religion 4 a civil dissension 5 the heathenisme of the Indians & 6 the nieghborhood of Canida." Miller makes New York a sad place morally and intellectually, and traces all her troubles back to the fact that the Church of England was not supreme there, and to the nearness of the French in "Canida." To his mind all her difficulties would be overcome if three things could be done: if the French could be driven from Canada; a bishop of the Church of England be established in New York; and the Indians be converted. It is amusing that all his plans for converting the Indians were based on the writing of John Eliot, as though the Iroquois Indians could be reached through writings in an Algonquin dialect! He did not realize that it would be like a foreign tongue to them. Miller also believed heartily in witchcraft, and was much displeased when the Massachusetts Bay authorities confessed the error of their ways. All things considered, John Miller thought New York greatly in need of improvement.

**New York**  
in 1744.

In 1744 a Maryland physician, Dr. Alexander Hamilton, made a tour of the colonies, and spent

much time in New York. He describes it as a pretty place, extending a mile or more along the water front, with a very good commerce, although the wharves were not good. One of its chief merits to his mind lay in the fact that the ladies dressed better than those of Philadelphia! "The people of New York, at the first appearance of a stranger, are seemingly civil and courteous, but this civility and complaisance soon relaxes if he be not either highly recommended or a good toaper. To drink stoutly with the Hungarian Club, who are all bumper men, is the readiest way for a stranger to recommend himself, and a set among them are very fond of making a stranger drunk. . . . Governor Clinton himself is a jolly toaper and gives good example." Hamilton was thoroughly disgusted with the drinking habits that he found customary there, and condemned them vigorously. The population of Manhattan Island probably tripled between 1695 and 1744.

In 1759 and 1760 a young English clergyman, **New York** Rev. Andrew Burnaby, traveled through the col- in 1760. onies. He speaks of New York in this wise: "It contains between two and three thousand houses, and sixteen or seventeen thousand inhabitants, is tolerably well built, and has several good houses. The streets are paved, and very clean, but in general narrow; there are two or three, indeed, which are spacious and airy, particularly the Broadway. The houses in this street have most of them a row of trees before them; which form an agreeable shade, and produce a pretty effect. The whole length of the town is something more than a mile; the breadth of it about half an one. The situation is, I believe, esteemed healthy; but it is subject to one great inconvenience, which is the want of fresh water; so that the inhabitants are all obliged to have it brought from springs at some distance out of town. There are several public buildings, though but few that deserve



attention. The college, when finished, will be exceedingly handsome; it is to be built on three sides of a quadrangle, fronting Hudson's or North River, and will be the most beautifully situated of any college, I believe, in the world. At present only one wing is finished. . . . The name of it is King's College.

There are two churches in New York, the old or Trinity Church, and the new one, or St. George's Chapel; both of them are large buildings, the former in the Gothic taste, with a spire, the other upon the model of some of the new churches in London. Besides these, there are several other places of religious worship; namely, two Low Dutch Calvinist churches, one High Dutch ditto, one French ditto, one German Lutheran church, one Presbyterian meeting house, one Quaker ditto, one Moravian ditto, and a Jews' synagogue. There is also a very handsome charity school for sixty poor boys and girls, a good work-house, barracks for a regiment of soldiers, and one of the finest prisons I have ever seen. The court or stadt-house makes no great figure, but it is to be repaired and beautified. There is a quadrangular fort, capable of mounting sixty cannon, though at present there are, I believe, only thirty-two. Within this is the governor's palace, and underneath it a battery capable of mounting ninety-four guns, and barracks for a company or two of soldiers." This is the best and most encouraging of the pictures of New York that we have yet seen, but possibly it may not be entirely correct.

**Burnaby  
as a  
Prophet.**

"Having traveled over so large a tract of this vast continent, before I bid a final farewell to it, I must beg the reader's indulgence, while I stop for a moment, and as it were from the top of a high eminence, take one general retrospective look at the whole. An idea, strange as it is visionary, has entered into the minds of the generality of mankind, that empire is traveling westward; and every one is looking forward with eager and impatient expectation to that

destined moment when America is to give law to the rest of the world. But if ever an idea was illusory and fallacious, I am fully persuaded this will be so.

America is formed for happiness, but not for empire: in the course of twelve hundred miles I did not see a single object that solicited charity; but I saw insuperable causes of weakness, which will necessarily prevent its being a potent state. [Here he goes into geographical differences and the resulting jealousies.] . . . Indeed, it appears to me a very doubtful point, even supposing all the colonies of America to be united under one head, whether it would be possible to keep in due order and government so wide and extended an empire, the difficulties of communication, or correspondence and all other circumstances considered . . . After all, however, supposing what I firmly believe will never take place, a permanent union or alliance of all the colonies, yet it could not be effectual, or productive of the event supposed: for such is the extent of coast settled by the American colonies that it can never be defended but by a maritime power: America must first be mistress of the sea before she can be independent, or mistress of herself. Suppose the colonies ever so populous; suppose them capable of maintaining one hundred thousand men constantly in arms (a supposition in the highest degree extravagant), yet half a dozen frigates would with ease ravage and lay waste the whole country from end to end, without a possibility of their being able to prevent it; the country is so intersected with rivers, rivers of such magnitude as to render it impossible to build bridges over them, that all communication is in a manner cut off. An army under such circumstances could never act to any purpose or effect; its operations would be totally frustrated." How astonished he would have been if he could have known that in a century from the time of his writ-

ing the country would commence a war in which more than two millions of men would be in arms. Though Andrew Burnaby was an intelligent, well-educated man, he could not see the future that lay before the city and the country.

**New York  
before the  
Revolution.**

The fifteen years between 1760 and 1775 saw a great growth in the city; the island of Manhattan came to have nearly twenty-five thousand inhabitants, and its commerce was exceeded only by that of Boston. Its citizens boasted that every language used by civilized nations was heard on its streets, and people who did not like the city said that vices were similarly abundant. The drinking habits of the inhabitants had increased rather than diminished since the times of Dr. Hamilton. In spite of the fine houses and gardens that surrounded the city, the streets were ill-lighted and were so badly paved that Franklin is said to have remarked that in Philadelphia one could tell a New Yorker by the careful way in which he shuffled over the smooth pavements of the Quaker city. During the war New York suffered much from the presence of the hostile army, and from the total stoppage of all commerce.

**New York  
after the  
War.**

A very sad condition resulted from the war. According to Dr. Franklin the natural commerce of the city had been entirely stopped for eight years. The population was reduced by more than a third. The natural damage that follows occupation by a foreign army is always very great, but in this case the British army treated the city as though it were a conquered province, although it was probably more than half loyal at the beginning of the war. In short, it would be twenty years, at least, before the city of New York could get back its rightful place among the cities of the coast. No doubt the jealousy that Burnaby saw so plainly made some of the other cities rejoice at the downfall

of the "city of wickedness," but this did not prevent the choice of New York as the first meeting place of the newly organized government in 1789.

As late as the War of 1812 the chief industrial interests of the country centered around agriculture. There was, of course, some manufacturing, but it was all carried on by the method known as "household industry," that is, hand work done by various members of the family. In England the latter part of the eighteenth century saw a great change called the "industrial revolution," when many important inventions were put in operation, and the factory slowly took the place of the household as the producer of manufactured goods. This change took place somewhat later in America than it did in England; perhaps not until the period of the War of 1812 did manufacturing in a modern sense begin to be common in America. From that time on the annual value of manufactured goods began slowly to approach the annual value of agricultural products; it took just about a century for manufactured goods to catch up to and to pass the latter. Now we must consider the changes in American city life brought about by the earlier wars.

Commerce  
and Manu-  
facture vs.  
Agriculture.

The figures of the first and the second census are too meager to help us at all, but it seems likely that with the search for the best lands the population must have spread out over a larger area, and that in 1812 there was still a tendency to scatter. What we call economic changes take place, as a rule, very slowly, but when there comes a war that affects the whole life of a nation profoundly, these economic changes sometimes take place very rapidly. Changes that ordinarily cover centuries take place in a few months or years. We speak of this rapid changing of economic conditions in war

The War  
of 1812.

time as the "dislocation of industry," because it gives almost as cruel a shock to the business of the country as a man feels when his shoulder or thigh is dislocated.

The industries that felt the greatest shock were those connected with shipping, the building of ships, the "carrying trade," and the fishing industries. The great number of ships lost by Americans shows the havoc wrought by England's navy. It is also true that we inflicted terrible losses on England's merchant navy, greater in proportion than those that they made us suffer. It is characteristic of the American that while he may be badly served once, without disgrace, he never allows himself to get caught a second time in the same way. It was to be expected, then, that Americans would shift their invested capital from shipping to some form of economic usefulness that was not attended with the same risk of destruction in war.

**A Commercial War.** From an economic standpoint, the War of 1812 was a desperate struggle between Napoleon and Great Britain. England was protected by the English Channel and by her fleet, so that the only way in which Napoleon could effect his purpose was to declare a paper blockade, with heavy penalties for breaking it. England answered these "decrees" of Napoleon by her "orders in council." The object of each was to crush the other by a sort of commercial starvation. This situation offered large profits for American ships that managed to get through the lines without being caught, although, with the warships of both nations watching for them, there seemed little chance of this. Very large numbers of American ships were captured. Of course in the carrying out of this policy, the people of the two countries suffered terribly, but the governments thought that they could afford to look on this suffering as one of the incidents of war.

One effect of this policy was to make European goods very scarce and high priced in the American markets, and this seriously disturbed the Americans, who were not directly concerned in the trouble between France and England. America had always depended on Great Britain for the bulk of her manufactured goods, and to be cut off from this source of supply was a serious shock. What could be more natural than that Americans should withdraw their capital from shipping and put it into manufacturing? Or if they did not care for this, why should they not invest their money in new lands? Neither of these movements was likely at that time to increase the size of cities, but the growth of manufactures would ultimately increase their size.

With this sudden growth of invested capital in manufacturing lines, there was a great difficulty in the fact that there were few men in the land who knew how to make the machinery necessary for generating steam power. There were few shops capable of turning out a steamboat shaft or a steam engine, and the question of economical fuel was a serious consideration. The apparent way out of the dilemma lay in the use of waterfalls as sources of power. But waterfalls often lay off in the wilderness, away from cities and towns; the solution of this difficulty gives us a new reason for the selection of many of the city sites of the early nineteenth century. Dams might be built along the courses of many of the rivers, but this required more capital than one man or a small company could put into such a project. The days of the great corporations with immense capitalization had not yet come.

**The  
Question  
of Power.**

Transportation, too, offered many difficulties, for the raw materials must be taken to the mills, and the finished goods must be distributed to the consumers. It is clear that as long

**How this  
Demand  
was  
Answered.**

It is very interesting to notice that in the study of industrial history, sooner or later every economic demand of a people is answered by a supply of whatever is needed. If the manufacturing world needs a new process or a new machine, many men work over the problem until sooner or later it is solved. The same mighty Power that set in motion this wonderful universe fulfills the genuine needs of a nation, setting in motion for human benefit the same law of compensation that we see in operation in the world of the plants and animals. Some countries have suffered because there is too little labor for too many hands; others have had too little food for too many mouths. Thus by forcible means people from these countries have been made to come to the United States, and have found here the labor and the food that they could not find in the old country. The forces that sent them here varied in the different cases; famine, religious persecution, political unrest, or economic troubles, all are found at work sending poverty-ridden peoples to the land of opportunity for the poor man.

**Immigration  
since 1840.**

The first great immigration to the United States came in 1846, when a terrible famine in Ireland, brought about by the blighting of the potato crop, killed multitudes of the Irish people and induced thousands of the younger generation to emigrate to America. Probably we obtained in this way at least four hundred thousand immigrants of a very desirable sort. Within the next ten years a further impulse was given immigration by political unrest abroad. In England there was the chartist movement; in France a revolution; in Germany there were severe religious, economic, and political troubles; in short, all Europe seemed to be infected by the spirit of unrest. Among the immigrants who came to the New World at this time were hundreds of thousands of Germans,

honest, God-fearing, industrious, and most appreciative of "the blessings of liberty." These people probably appreciated the real value of American institutions a good deal better than those who have always been accustomed to them, and Irish and German regiments played a brave part in the Civil War. After the Civil War there came a series of migrations of many peoples



RAW MATERIAL OF WHICH WE MUST MAKE CITIZENS.

driven to this country by economic distress,—Italians, French-Canadians, Scandinavians, Scotch, Greeks, Poles, numerous peoples from western Russia, Syrians, Hungarians. Others came, driven by religious persecution: the Armenians, and the Jews from Russia and elsewhere. Then arose the new problem of receiving and assimilating this flood of non-American material and making it really American in thought and feeling.



**Where did  
these Im-  
migrants  
Settle?**

From the early years of American settlement men have recognized that New York City possesses unusual advantages by reason of its geographical position. The best harbor between Maine and Florida, it is a natural landing for vessels of all sorts and sizes. It has become the acknowledged headquarters for foreign and domestic goods. This supremacy may not last forever; indeed, it is even now seriously threatened by other cities that may be able to offer better conditions for the handling of people and goods. Up to the present time, however, nearly all the Europeans coming into the United States have landed at New York, and the first solution of the problem of locating them in America must be made in New York. While immigrants are required to possess a certain sum of money before they can come into the country, still few of them come for any other purpose than to earn a living. Many of these immigrants have come from country districts in their native land, but American farming conditions are so different from European that the new citizen has much to learn. Since the rise of scientific farming in the last fifty years, it is increasingly hard for immigrants to compete with the established American system of farming. Their only safety lies in adopting some line of work in which for certain reasons they excel Americans.

**Truck  
Farming.**

There are two main differences between European and American farming conditions. The farms abroad are much smaller than in this country, and great numbers of European women work in the fields. This latter custom is probably the result of the centuries of war that the people have passed through, and of the present compulsory military service. In Europe, too, we notice the intensity of the cultivation, as in Belgium, where a very dense population must be supported by a small area of arable land. There the

fields are cultivated like flower beds, even in the setting out of such field crops as wheat. We must remember that in countries where the cost of labor is only a fraction of what it is here, more intensive farming can be done than we could afford. This difference in the price of their labor always astonishes the immigrants. They understand that America is the land of opportunity, but it is hard for them to believe that here they can get two, three, or even four times their old wages. Many of these Europeans take up little plots of ground near the large cities, plots of two or three acres, and by the practice of strict economy and by working long hours, they manage to raise five or six crops a year, where Americans would raise but one or two. Of course the people engaged in this work are constantly changing their location and even their occupation, for after a while they learn the real wage conditions in America, and are no longer willing to slave eighteen hours a day for the small returns that they get. They go into some other business where the hours are better and the pay higher, though it may not be as healthful an occupation as that they have left.

Economists have a short expression that tells a long story, "the standard of living." This means the sum of all the necessities and comforts of life that people think they must have in order to live decently. A moment's thought will show that the standard of living varies very much in different countries and among different classes of society; the English nobleman, the American citizen, the Australian native, the Eskimo, the Russian peasant, all have very different estimates of what they must have in order to be comfortable. America has a very high standard of living, a standard that rapidly advances and varies little.

**American  
Standard  
of Living.**

**Immigrants and Labor Contractors.** When foreigners come here, their idea is to live as they always have lived; the same quality in clothing and food, the same wages, the same housing conditions, seem satisfactory. It is easy, then, for unscrupulous men to pick up newly arrived laborers who are ignorant of American conditions, and entrap them into signing contracts for labor under what are really fraudulent terms. Take, for example, the immigrant who comes to us from the south of Italy. Even if he has no friends here who can guard him from sharpers, he thinks that he will better his condition immensely by coming to the United States. Just how he will gain he does not know. If he is a skillful farm laborer, his pay has been about forty cents a day. If he is a miner and especially handy with the pick, he has received as much as sixty cents a day. When an American contractor approaches him and offers him a contract whereby he is to receive as much as eighty-five cents a day for a term of months or even years, the poor Italian is charmed with the new country. The contractor has inserted a clause in the contract providing that he shall furnish food and clothing for his victim, to be paid for out of his wages at ordinary rates. Even this charge leaves the laborer a far larger net gain than he could command in the home land.

So he thinks himself fortunate, until he finds out that he is really being very badly cheated. In the first place, the contractor is feeding him in the Italian way, on bread and macaroni and a little sour wine, but the victim finds out that he is in a country where a poor man may eat meat. He finds out, too, that the padrone is trying in various ways to control him and his money. The average foreigner has no great respect for justice as he has seen it dispensed in his own land, and he has a way of supplementing it by private vengeance that does

not seem to him illegal. He simply metes out deserved punishment for personal offenses against himself.

So the foreigner finds out that he can do better, and as soon as his contract has expired, he begins the second stage in his Americanization. He finds work independently, very often as his own master. He is contented with hard conditions, for they are, after all, better than those that he has been accustomed to, and he is hard-working and economical, so that he saves money where an American would starve. But his ideas and desires are constantly growing; it takes him a long time to realize the fact that he is in the United States. Perhaps he never comprehends what the change means to him. It may even take two or three generations before the Americanizing process is carried out fully, and even then there are certain national characteristics that will never be lost. One of the characteristics of practically all the different peoples who come to us is the tendency to keep together in social groups. It is this "gregarious instinct" that, at the present time, makes the foreigner so serious a problem in our city life.

This is a natural instinct very commonly observed in the animal world. Many kinds of animals are never seen separately, but always in groups and droves. What more natural than that the immigrant should try to keep with his kind, and should for a time try to reproduce on a small scale the social conditions in his own country? This, while it is natural and pleasant for the foreigner, is both dangerous and wasteful for us. It lengthens the Americanizing process and makes it more difficult, and it brings into our industrial world new problems that are very difficult for us to settle. These problems are to be found in all American cities of any size, and differ a little according to the character of the for-

**Americanizing the Foreigner.**

**The Gregarious Instinct.**

eigners involved, but in the main the labor question is the same all over the country, and it always centers around the problem of cheap labor.

**The Labor  
Market.**

Like all markets, the labor market is supplied with goods of all grades, and the price depends very much upon the demand. Some grades of laborers will not do certain work. Sometimes the market is overstocked with labor, and there is so little demand for it that the price of labor goes down and much distress follows. Now the industrial world has a certain demand for different grades of men. It needs a few fifty thousand dollar men, some five thousand dollar men, and so on down to the fifty-cent man and the cheapest forms of unskilled labor. The higher up in the scale of proficiency one goes, the scarcer becomes the supply of men skilled to meet the requirements. The possibility of a successful career is open to all Americans, for there is never a glut in the labor market among the higher grades of labor.

As we go lower in the scale, the supply of workmen becomes greater, until we get to the lowest grade of all — the “unskilled laborer.” It is rather hard to define this term exactly, but we might say that it usually means a man who has had no particular training or who has no particular skill, and who cannot choose but take the lowest paid and most uncertain jobs. There is always a great demand for such men, while the supply seems to be unevenly distributed. Thus, while an interior city may be entirely without unskilled laborers, New York may have thousands of them out of work. So far as they are foreigners, they are usually the men and women who have come to this country so recently that they have not been assimilated, and for that reason they are more difficult to control. Those that are native-born have been kept down by laziness, ignorance, or

intemperance. Such people are disgruntled. Labor-saving machinery is constantly displacing these men, adding a further grievance to their woes, and making it harder for them to consider the successful man without bitterness. As our industrial conditions stand to-day, we cannot get along without a large supply of unskilled labor.

We are very likely to judge of things by con- **Why poorly**  
 trast. A manufacturer or a farmer is likely to pay **Paid?**  
 his men on a scale fixed on the basis of their service to him. An efficient employee whose influence is good is likely to be encouraged. The mere fact of his presence makes him valuable. As a rule, an ambitious man, and ambition is a matter of pride in the United States, makes himself as indispensable as possible to his employer. He becomes self-respecting, and however people may estimate him in the end, they are very likely to take him at his own valuation in the beginning. The employer knows and values a man who can do certain work better than any one else can do it. But how about the work that can be done by one human being just as well as by another? It is work that requires no special training, no tedious experience, and offers little chance of advancement. Consequently it is poorly paid. Many of these laborers are still foreigners, stolid with the burden of the Old World social conditions; many of them came over too late in life to be able to change. Their habits have become fixed, and they cannot adapt themselves to suit the new conditions. The government seems still their chief enemy, and law and order are still to their minds the instruments of tyranny. But many of them are young enough to see and to learn. Of the second and third generations, a large proportion become more or less Americanized in their industrial habits, and sooner or later the immigrant stock becomes completely merged in the American people.

**The Sub-merged Tenth.**

In every large city there is a group of immigrants, sometimes a group of a few hundreds, sometimes of hundreds of thousands, speaking a number of different tongues, but always a probable source of disturbance. The headquarters of these groups are sought by criminals as good hiding places. These immigrants have no idea of health or sanitation, and so the Health Department must keep its eye on them. Ignorant of the language and customs of the country, they constantly violate some police regulation. They are poor, and in their attempt to live as cheaply as possible, many people live crowded together in one room. Health and morals suffer. Education suffers too, for it is difficult to get hold of and to keep in school all the children from such families. Political troubles also arise, for some of these men have been in the country long enough to have a vote, and not being thoroughly Americanized, are glad enough to sell their vote, or to use it as their employer tells them. Such people almost always belong to the ranks of unskilled labor; in time of labor troubles or panics it is always the poorest paid that feel the pinch first. Then hunger and sickness and desperation make such a group of people a still greater source of danger.

**The Slums.** If this is true of a small city, what is to be said of a great city like New York? Here the conditions are intensified in every particular, for in the days before our present immigration laws, most incoming foreigners were poverty-stricken and had to obtain money at once for food and lodging. Hence they stayed in New York for a time, until they could obtain money to take them to some other place, and hundreds of thousands of them stayed permanently. Where did they live? In the cheapest lodging they could get. In some of the older cities along the Atlantic coast we find two cities in one; the older city was built generations ago, with narrow, crooked

streets and houses such as were formerly in style, the newer city has broad, straight streets and more modern houses. Wealthy New York families, a hundred years ago, built their homes downtown, as it was undoubtedly the best location to be had then. Twenty-five years later style and conditions had changed, and if the family was still rich, the next generation built a house of more modern style, farther uptown, and sold or rented the old one. In time, as the house became older and less desirable, the class of tenants became less and less desirable; the condition of the house became so bad that it would not pay to repair it. Its lack of modern conveniences threw it out of the market so far as self-respecting Americans were concerned, and it was soon filled to the eaves with foreigners, poor, in need of cheap lodging, and satisfied for a time with the worst conditions. So the old family home slowly degenerates, until it becomes an eddy in which the flotsam and jetsam of humanity find rest for a time. Some of this human riffraff learn better things and raise themselves, others simply live and die there under such conditions as we read of in *Oliver Twist*.

Of course the owner found it profitable to rent such property. He could let lodgings at ten or fifteen cents a night, or rent rooms for two or three dollars a month, and make a good interest on his investment. These old family homes were not more than three or at most four stories high, and the income from it was limited by the size of the house. In course of time it occurred to many people that it would be profitable to build a different sort of structure on the same plot of ground, that would bring in even larger income. The new building resembled a human beehive covering all the ground of the lot, or as much of it as the law allowed. It was constructed of the cheapest possible materials, with the cheapest possible labor, and it was built as high as

**The  
Tenement  
House.**



possible. The rooms were small, and such considerations as fresh air and fire escapes were not allowed to interfere with the landlord's profits. Such a tenement was nothing at all but human greed expressed in terms of secondhand brick and cheap lumber.

It became necessary for the law to interpose certain restrictions on the builders of tenement property. Since the battle of the 1870's, in which the first tenement house code was enacted, there has grown in New York a series of codes regarding the building of tenement houses, and other states have followed the example. Under these laws sanitary conditions have been greatly improved and the fire risk very much reduced, but on account of the constant renewal of the supply of ignorant, foreign renters, it becomes very difficult to enforce tenement house regulations. In the case of one model tenement the people thought that the bathtubs were some improved receptacle for coal, and used them as such.

**The  
Politics of  
the Slums.** Not only the social but the political problems of the slums confront us. Many of these foreign-born races have been for so many centuries under governments widely different from ours, that we cannot in short time rid them of their Old World ideas. The Hungarians, for example, have been for a long time under a paternal form of government, that has done for them many things that we think individual citizens should be permitted to do for themselves. On the other hand, our government places many restrictions on individuals for the good of the community and wisely places many prohibitions in the way of perfect freedom of action. The Hungarian immigrant does not trouble the police authorities with his private troubles, but settles them himself. This of course brings down on him the arm of the law, and he cannot understand this; at home he was always allowed



MOTT STREET BARRACKS.

to repay those who injured him, and if a man or two were missing, no one bothered about it. This new country must at times seem incomprehensible to the immigrant; it is the home of liberty, but a man cannot do as he pleases!

The peoples who come from western Russia, many differing people, Croats, Lithuanians, Esthonians, Poles, Livonians, all have been brought up through centuries of oppression to regard the government as their worst possible enemy, an institution to be cheated and evaded in every possible way.

When such oppressed people are brought into court to testify in any criminal case, their instinct is to tell the untruth. It does no good to administer the oath, for they have "bred in the bone" the fear of government, and lie merely on general principles. Perjury means nothing to them.

It is hard to blame these people for this attitude; the only thing that can alter it is the slow process of Americanization. A long period of education, religious freedom, and industrial prosperity will be needed to make them over into a better type of citizen. But before this evolution is effected, people of this sort are not ready for the right to vote, for there seems to be among them no idea of voting independently. At home, if they had voted, they would have sought the advice of Master or Landlord, and in this country they naturally expect to vote as their employer tells them. It is this mass of instructed voters that makes it possible for "boss rule" to fasten itself on industrial cities where large numbers of unskilled laborers are employed, and in cities where slums are allowed to exist. Boss rule has flourished in New York City, where successive waves of immigration have kept up the supply of people so ignorant of American conditions as to become unconsciously the tools of politicians. Time, public opinion, and the faithful work of public school teachers can correct these conditions.

One of the foreign conditions that we find it difficult to understand is the general poverty in Europe. Conditions there are vastly better than they were in the sixteenth century, but still the United States is the only civilized country where even now the struggle for food is not an almost hopeless problem. Two statements tell the story of conditions in England: first, at least half the people in the city of London do not get enough to eat; and second, the average daily wage of a majority of the industrial workers in the British Isles is not more than one dollar, while the necessities of life are only a little cheaper there than they are in America. In Germany the conditions among the laboring classes are very bad; a recent study of conditions among the toy makers showed that in good times an average family could earn sixty cents a day, father, mother, and all children more than four years of age working. When people must live in this way, it means that their standard of living is lowered to the point of degradation. One of the best ways of judging of the rank of a nation is to study the standard of living of the majority of its people, and to see whether it is rising or falling. Our standard of living is far higher than that of any foreign country, but we do not realize this until we see the standard of the foreigners who come to America.

**The  
Standard  
of Living  
in the  
Slums.**

When these immigrants first come to us, they are willing to live as they have been accustomed to exist, or even more economically, if necessary, to gain a foothold in the new land. In their ignorance, they fall an easy prey to those who have been here longer, and there are, among the partly Americanized immigrants of a few years ago, those who will take advantage of their own countrymen and get them to work at starvation wages. The victims are easily induced to sign a contract that brings them into virtual slavery. The

**The Effect  
on American  
Living.**

"padrone" system is an example of this sort of thing among the Italian laborers. Of course the immigrant soon finds out that he has been cheated, and as soon as possible he gets out of his industrial slough of despond. He has learned the first great lesson of Americanism, that it is not social condition that makes a man powerful or powerless, but the amount of his practical knowledge and the way he uses it. He has also learned that the law cannot protect people from the effects of their own ignorance, and that ignorance of the law does not excuse any one from responsibility for his own deeds. All this is a shock to the immigrant, who supposed that because America is called the land of the free, he could do as he pleased here.

**How the  
Sweat Shop  
came to  
Exist.**

The best example of the use of immigrants to fill in the demand for cheap labor is to be found in the so-called "sweat shop." It is a very curious fact that immigration was both the cause and the effect of the sweat shop. It came about in this way. Manufactured goods may be divided into two classes, the necessities and the luxuries. In the case of the latter, there is no especial reason for keeping the selling price down to the lowest possible point, because those who buy the goods expect to pay good prices for them. In the manufacture of such goods, then, it is possible for the employers to pay good wages, and still make good profits. But in the case of the necessities, especially when the goods are to be bought by the very poorest or the most economical people, it is essential that the selling price should be as low as possible. The manufacturer must pay the lowest possible wages to his work people, for the labor bill is the largest that he has to pay, and he must economize there if possible. So although he looks through the labor market and picks up the cheapest labor, he is constantly on the lookout for something still cheaper. Nat-

urally the best place to find such labor is in the city of New York, where the greatest mass of immigrants enter the country.

One necessity of life that must be bought in some quantity at least by every family is clothing. It is very evident that if the makers of cheap clothing can get hold of some particular class of immigrants who are especially adapted to such work, and who are willing to work for starvation wages under bad conditions, these manufacturers will gladly take complete advantage of the situation.

There was no such thing as the "manufacture" of clothing in the United States until about the time of the Civil War. Outside of the cities, a very large share of the people's clothing was made in the homes, by seamstresses who went around from house to house and made up the clothes for the whole family. People of means went to a tailor's shop, and had their clothing made by workmen especially skilled in such work, for there were few places where clothing in any quantity could be turned out. The invention and improvement of the sewing machine paved the way for the later development of the greater garment-making industries. Even as early as 1860 Troy, New York, was the center of the collar business, turning out goods to the value of \$800,000 in that year.

**The  
Manufac-  
ture of  
Clothing.**

In some few cities the manufacture of clothing had begun, though on a very small scale. In New York in 1860 there were three hundred and three such establishments, with a combined capital of about five and one half millions and an annual production valued at seventeen millions. The necessities of the government during the Civil War, however, produced a great change in this matter. The natural competition for government contracts brought down prices and wages, while it increased enormously the value of the clothing trade. Yet in

1864 machine sewers were getting six dollars a week, hand finishers four dollars. Hours were long and conditions hard. When the war was over and the government contracts lapsed, men who had large capital invested in clothing factories naturally turned to the manufacture of clothing for the general market. The industry became overstocked with manufacturers. Competition became severe, and forced employers to be on the lookout for some cheaper form of labor.

**Where was this Labor to be found?** The answer to this call for cheap labor came in 1876 and the years following, as a result of the persecution of the Jews in Russia. This unhappy race had suffered terrible wrongs during the Middle Ages, and Christian Europe came very slowly to give to the Jews any measure of civil or religious liberty. Even England was concerned in these persecutions, and exiled the Jews from her borders for a period of several centuries. Now Russia is the only civilized country that has failed to respond to the advanced views of recent times in this matter. Indeed, instead of helping the Jews to lift themselves up, Russia has proceeded from bad to worse, and from a simple denial of civil rights, she has apparently attempted to exterminate the Jews within her borders by the most awful means that medieval barbarism can suggest. The story of the wrongs of the Russian Jews is a very long one; it affects us in that it has driven to us millions of a people who are distinguished by their sober perseverance in labor, by temperance in all things, by a law-abiding disposition, and by a natural genius in matters of commerce and finance. In many phases of American life, they have proved in a sane, common-sense way their ability to be ranked among leaders.

**The Russian Policy of Government.** It is a common thing to hear the persecution of the Jews in Russia referred to as the result of religious bigotry. Since this persecution has affected

our industrial life in such an important way, we ought to understand a little of the real causes of the economic situation in Russia. Russia, as a country, is not old, dating really from the reign of Peter the Great, who visited England in the days of John Evelyn. There is no such thing as a "Russian nation," because the Empire is made up of a great number of small nations, differing in language and customs, and there is no common unifying element among them except the fear of the same power that originally united them, the sword. That is to say, the Russian Empire was founded by "fire and sword," and can be ruled and held together only by brute force. It has been, in the past, the policy of the Russian government to see to it that taxes were very heavy, and that the mass of the people were so loaded with restrictions that they were buried under the weight of their troubles. They were, moreover, to be kept absolutely ignorant, although this very ignorance added to the labor of keeping them under control. When the Russo-Japanese War broke out, it was reckoned that the average amount spent each year on each child of school age in Russia was twenty cents. Even at the present time 70 per cent of the people of European Russia over nine years of age are entirely illiterate.

This policy killed all enterprise and ambition that the Russian peasant might have possessed. The "black-soil region" of the fertile river valleys gradually lost its richness, and instead of living in the granary of Europe, as had once been the case, the Russian peasants themselves began to suffer severe famines toward the end of the nineteenth century. Ignorance and oppression have brought about unhealthful living conditions, and we are told that at least 70 per cent of the Russian peasantry are seriously diseased. Poverty, such as we can barely imagine, resulted, and the people became so desperate that rumors of cannibalism

**The Result  
of this  
Policy.**



were heard. The religion of the people, instead of being a comfort and a joy, a bright spot in the darkness and misery of their lives, was made an additional means of repression, through the bigotry and wickedness of its leaders.

Under such conditions commerce could not flourish, since the great mass of the people were too poor to buy anything. It even came to pass that in certain districts it cost far more to collect the tax than the meager sum paid would amount to. It is evident that the Russian government had a difficult task on its hands to control a country that furnished so many opportunities for trouble. The army was always a resource, for the worst malcontents could always be swept away to serve on sea or land. A system of so-called justice, really iron-handed terrorism, sent into exile all those who, by their superior intelligence or fearlessness, threatened to make trouble. The most corrupt government on earth found itself with a people seething with discontent, and eager to vent their smoldering wrath on some one.

**What  
happened  
in Russia.**

The Russian Jews had always kept themselves as far as possible aloof from the peasantry, and had tried, so far as circumstances would allow, to follow the law of Moses. This policy of exclusiveness, together with religious hatred, had made them an object of the most intense dislike to the Russian peasantry. Moreover, the rabbis had done their best to educate the men and boys, thus giving a further reason for jealousy. The Jews were still further distinguished from the lower classes in Russia by the fact that their religion was a living force in their lives. It was their rallying point, as well as their great comfort. When we add to these causes for dislike their greater business ability, and reflect that the Russian peasant had none at all, it is easy to understand the jealousy and hatred with which the Jew was regarded by the Russians. The same old

lies about the Jewish rites of worship that we find in the Middle Ages were rife among the Russians. It seems very natural that the stolid Russian peasant, when once aroused to desperate action, should vent his rage on the Jewish population scattered among the cities. Without doubt officials of all classes tried to avert deserved punishment from their own heads by helping along the popular dislike of the Jews.

Every government must resort to taxation to fill its treasury, and although the Czar of Russia is one of the greatest landowners in the world, and one of the richest men of all history, the government obtains its money by taxation of the people. It is easily gathered from what has been said that the only class of people in European Russia really worth taxing were the Jews. They represented the brains, the enterprise, and the solid business ability of the people, and it would be a great disaster if the government were deprived of this resource. But the government found it difficult to control the multitude of tax collectors. These men, only a little less ignorant than the hordes that they ruled with a rod of iron, were as unscrupulous and dishonest in their reports to the government as they were in their treatment of the peasants. This was the price that the government was called upon to pay for the cruel treatment it has measured out to the peasantry. The government is not to be pitied in this case; it is getting no more than it deserves. Possibly the Russian government has been sorry for the great persecutions of the Jews, but it could not stop them, and has been obliged to do what it could to hinder them in a roundabout way.

**Dishonest  
Tax  
Collectors.**

The mob in a Russian city, the center of some small district, desperate from hunger and the accumulated wrongs of centuries, goes wild with rage and attacks the Jewish quarter. A large section of the quarter is burned,

**A Typical  
Case.**

many people are killed, and the government is deprived of a certain amount of taxable property. A regiment or two of Cossacks is sent to the city nominally to restore order; they are even worse barbarians than the peasantry, and they plunder all alike. They may torture the remnant of the Jews, but they do the same by the native population, and so the people are taught that the government must not suffer any interference with its income. Finally, the city is fined heavily, and perhaps some of its prominent people are imprisoned. The people are punished, and the governmental pocketbook is replenished. But the trouble has not been settled, and the government itself is in more or less danger all the time. It is a "government on a volcano," and does not dare to do too much, lest an eruption of popular fury start, and the government itself disappear in a whirlpool of fire, as did the French government in 1792. So the government suggests: "Suppose we collect all the Jews in one place, and forbid them to leave for other places, then we shall solve the trouble; we shall get our taxes, and we shall remove the cause of friction between Jews and populace." This is what the Russian government has tried to do.

**The Policy of Segregation.** Again the Russian government was cursed with the reward of its own sins. This work of collecting and guarding the Jews must be carried out by the lower officers, of whose peculiar loyalty to the government we already know. This is the policy at present being carried out in southwestern Russia. The Jews are obliged to live in certain regions, abused in every way by their savage keepers, and the victims of atrocious persecution. Emigration is forbidden, but the public officers are always ready to do business, and a bribe will remove all difficulties. So desperate are the folk who have no money with which to buy their way to liberty that many of them try to escape, and

though some are caught and punished savagely, many get through the lines.

Thus it is that there has been for twenty-five years a constant migration from the darkness of Russia to the light of America. Many charitable Jews in the United States have aided their people to escape. Is it not plain why people who have been tortured in this way appreciate "the blessings of liberty"? The freedom from constant persecution, the unimpeded opportunity to work when and how they please, the entire lack of legal disqualification, all these have a very strong appeal to the Russian Jew. In fact, so eager has he been to get work that in his ignorance of American conditions, he has often taken almost the first work offered him, at a rate of pay that seemed to him very large, but was less than any thoroughly Americanized person would work for. Hence the operators in the congested clothing trade found in the Russian Jew the man who could do the work cheaply, and could enable him to continue successfully in the manufacture of cheap ready-made clothing.

The Russian Jew is quick-witted, and skillful with his fingers, and he learns quickly to operate such small machinery as is used in the manufacture of clothing. There were two ways in which this manufacture was accomplished. Sometimes the materials were given out to the workmen, the clothing was made in their homes, and they were paid at a set rate per dozen. The pay was incredibly small, and in order to live it was necessary for the whole family to work for long hours and under unhealthful conditions, usually in the same room in which they lived and slept. This is a condition of things that exists in many European cities, but it is essentially un-American in every particular. Of course it was necessary in the interests of public health to attempt to reform such a system, but this effort was opposed by the

How the  
Clothing  
Industry  
was carried  
on.

greed of landlords and the selfishness of contractors, and frequently also by the indifference and the inertia of the very ones who were being most injured under existing conditions. It is a problem that is still unsolved and one that must continue as long as this constant stream of immigrants comes to our shores.

The second method of carrying on the work was called the sweatshop method. The workmen came together in a common workroom, were crowded without regard to sanitation, ventilation, or sunlight, just as closely as they could sit and still perform their work. Here, from morning to night, the newly arrived foreigner who lacked knowledge of American conditions slaved for a small wage under circumstances that no native-born American would endure for a moment. So bad was the ventilation and so foul the air that even the walls seemed to sweat, and the term "sweatshop" was in a double sense well deserved. Such operatives could not possibly keep healthy; consumption and worse diseases were rife among them, and the clothing that they made was as much infected with the germs of hideous diseases as was Lady Eleanor's cloak. Here, again, public health demanded that we be protected from the dangers lurking in such cheap clothes.

**What has  
been done  
to remedy  
these  
Conditions?**

Inspection laws regulating the construction and use of tenement houses and factories have been made and have been partially enforced, but much remains to be done in this way. The introduction of improved machinery, especially in the cutting of the cloth, has overcome some of the difficulty. The multitude of small contractors of the earlier days has been replaced by a few concerns with large capital, able to do business on a greater scale. These people can afford to put money into safety devices of all sorts, and their places of business are so well known that they cannot conceal evasions of the law. They are even able

to use their safety devices and health arrangements as good advertising material.

Sometimes we do not realize that the great world problems are working toward their own solution at a very slow rate. To a man, whose life covers possibly threescore years and ten, there is not much comfort in the assurance that the solution of these great questions progresses in the course of thousands of years. We ourselves see only a hint of the solution, but as we study the history of past ages, we see very plainly that the world is slowly but surely getting better. The past thousand years have yielded wonderful results, and so we have faith to believe that by means of the labors of many faithful men and women, changes for the better will continue to be made. The critical point in this particular question seems to be the tendency of foreigners to herd together in the large cities. There is nothing abnormal about this habit, but it has seemed to many people that it ought to be an easy matter to scatter the population that tends unfortunately to locate in centers, and so get rid of the industrial and social dangers that such grouping causes.

**The  
Solution  
of the  
Problem.**

One of the most important ideas that has come to us from the study of history is the realization of the tremendous relative importance of the food-producing part of the population. Of course it is very well to manufacture many things to sell to others, but it is of the greatest importance that we should produce enough for our own people to eat. A study of the census returns shows that for many years there has been a constant movement of the people away from the rural districts toward the cities. This is a very serious danger, for it threatens the integrity of our food supply, and has had the effect of raising the price of food-stuffs during the last twenty-five years. A very large proportion

**The  
Agricultural  
Needs of  
the United  
States.**

of our immigrants has been accustomed to cultivate the soil, although not under American conditions. They congregate in the cities and go into manufacturing, the first work that is offered them, partly because the industries that use cheap labor have congregated at the gateways of the country, and partly because it would cost more than they have on hand to transport themselves to the farms. It seems like a partial solution of the problem of congestion in cities, to try to transport individuals from these crowded sections in the lower parts of our cities to the farms that are being deserted by Americans. The Russian Jew, the Greek, the Scandinavian, the Italian, the German, all have certain qualities that make them good farmers; they are hard workers, economical, and have been accustomed to work hard for less reward than the American farmer gets. They have two great drawbacks as farmers. They lack an acquaintance with American economic conditions, and they lack scientific knowledge and are consequently unable to compete with the American farmer. Time will cure both of these troubles. Charitable societies and foreign consuls have been and are doing their best to scatter the population of the people in whom they are especially interested, but for many reasons the work is very difficult.

**Hindrances** Many of the people to be scattered are religious  
**in the Work.** refugees, and naturally, having been exiled in this way, do not, in the new land, care to go to places where they cannot worship together as they wish. Another great trouble is the expense that attends the scattering process; for as a rule these new Americans can be sent out in only one of two ways: they may go as farm laborers, hired by the month, or land must be bought for them and given to them on terms of long and easy payments. The fulfillment of either course calls for a great deal of money and wisdom, and the number of people that can be

helped in this way is relatively small. Moreover, immigrants are constantly coming in, many more than can be sent to the farms, and it is the newer immigrants that make possible the evils of our industrial life pointed out in this chapter. Still, there is no doubt that the situation is better than it would be if there were no effort being made to scatter our foreign population over the country.

We must not forget that there are two distinct points of view in regard to this question: one the immigrant's, the other ours. From the immigrant's, the new land is a haven of rest in contrast to the one that he has left, and we should not deny him what the golden rule teaches us to give. At the same time, we certainly have a right to protect ourselves from the lazy and from those so diseased as to be a danger to us all. Looking at the question from our own standpoint, we have need of great numbers of unskilled laborers for many of the processes of our industrial world, and we obtain what we need from the constant stream of immigrants. But there is a constant tendency among the immigrants to crowd into lines of work at a lower wage than Americans can afford to work for; hence they tend to bring down wages and to lower the standard of living. This is unfortunate. We must not forget that the prosperity of the country does not depend upon the condition of a few rich men so much as on the condition of the mass of the people. Hence it is important that we guard the rights of those people who are so situated that they cannot take care of themselves.

Two Sides  
to the  
Question.

The tendency of people has for ages been to gather in cities. Of the world problems that have come from this tendency, such as questions of housing, feeding, transportation, heating, lighting, morals, education in all matters, honesty in politics, we have in the

One Great  
Question  
of the  
Future.



United States a full share. It is not too much to say that there is not a question for us to consider to-day that carries so many possibilities for good, if sensibly answered, or such terrible possibilities for evil, if neglected, as does this, "How are we to manage the population in the great cities?"

## CHAPTER X

### AGRICULTURE IN THE NINETEENTH CENTURY

WHILE the nineteenth century was still in its first quarter, great changes were taking place in the agricultural situation of the United States, North and South. In the North, Jefferson's mistaken foreign policy tended to keep American enterprise at home. Some American capital went into manufacturing, but comparatively few men could scrape together even the small capital then thought sufficient to establish a manufacturing company. Many took the cheaper but more difficult method of carving out their fortunes by "going West," taking up such land as they could buy, and raising such crops as the soil, climate, and their own experience permitted, and such as they could market easily. Since the land usually had to be cleared, and since the settler was far from a market and was, as a rule, without means of moving his products, he was naturally much restricted in what he raised. He must wait for other influences to help him before he could become a power in the nation. The southern planter, on the contrary, thought that his troubles were over, for the invention of the cotton gin had given him a twofold advantage; it enabled him to use the labor system that seemed most suitable for his situation, and it made it possible to cultivate in a way that was apparently profitable the crop that seemed to be best adapted to the soil and climate of the South. We must now examine the circumstances and see whether slave labor was

Situation  
in the  
Opening  
Years.

profitable, whether cotton was the best crop, and whether the system of agriculture in use in the South was the best.

**Was Slave Labor Profitable?** In this chapter we are interested only in the industrial phase of the problem, and we assume that the question that we are trying to answer applies to all times and places, not to any one locality or to any one time alone. We must understand, too, just what "profitable" means. A machine of any sort represents ability to do certain work at a rapid rate. If the machine is badly adjusted, or is not kept clean, or is not skillfully run, it falls far short of what it is capable of doing, and the owner loses. Every man has stored in his body a certain amount of energy; if he is lazy and does nothing, this force is unused, and society suffers a corresponding loss. In the case of the laborer, not only does his employer lose, but that on which the laborer works suffers an injury; such labor cannot be profitable. We must now consider what incentive the slave has to do his best and to protect his master and his material.

**The Slave's Incentive.** The slave received no wages. He knew that his master would feed, clothe, house, and doctor him, if not out of regard for the slave, certainly to further his own interests. Since it was considered bad policy to pamper the slave, he knew that he was not likely to receive any extra privileges as a reward for industry. The slave had no vacation to look forward to, no travel to offer change and amusement; the only traveling that he was likely to do would come in case he were sold, and that, as a rule, was a thing to be dreaded. Perhaps the worst thing about the matter is the fact that ambition in the slave was considered a crime. Imagine what our lives would be like if ambition were entirely removed! Since it is plainly impossible to remove so vital a characteristic from humanity, the slave's ambition must be confined to such things

as shirking his work and trying to escape punishment. It is plain from this that labor grudgingly given is bound to be unfavorable to profits, for while the master may have obtained some income from the slave's labor, he did not receive all that he should; this in itself was a loss.

The employer of free labor pays wages for the time and labor of the servant; the laborer clothes and doctors himself and loses his own time if he is

**The Loss  
of the  
Master.**

ill. He works only during the period of his life when his labor is in demand in the labor market. The slave owner had to keep his slave during the unprofitable periods of infancy and old age, and while he was disabled by sickness, as well as during the time when he was of full value. The cost of a slave in the market was high, rising in the period just before the war to fifteen hundred dollars for a prime field hand. At the same time, in New York a free laborer might be hired for twelve dollars a month and his board. It was reckoned that a slave's labor was about two fifths as effective as that of a free laborer, yet in the South slaves were rented out for two hundred dollars a year, the lessee caring for the slave and returning him in good condition. A slave was useless until about twelve years of age. From twelve to sixteen he was known as a quarter hand; sixteen to eighteen a half hand; from eighteen to twenty-one, a three-quarters hand. Then for a varying period, perhaps twelve to fifteen years, he was a full hand. Then the decline in value began, until the slave became too old to be of further use. Slave owners estimated that at any given time about one third of the slaves on the plantation were of use; the remainder of the slave force represented the old, the sick, and those too young to work; in other words, if there were seventy-five slaves on a plantation, the working force would be equivalent to twenty-five full hands. From the facts given above, we may figure out what an

advantage the northern planter had over the southern planter. It is unfortunately true that the average southern farmer was so poor a business man that it was not until the period just before the Civil War that he began to reckon just where he stood. The result of his balancing of accounts must have been appalling to him.

**The Price of Slaves.** Another curious custom common among cotton planters had to do with the market price of slaves. This price was commonly regulated by the price of slaves in the region where the demand was greatest; thus when cotton raising in South Carolina was at its lowest ebb, but when the crops in Alabama and Mississippi were far better, the profits higher, and the demand for slaves greater, the planters of South Carolina had to pay more for their own slaves because of the prosperity of the other states. As the great French traveler De Tocqueville showed, when sugar production became the great industry of Louisiana, other parts of the South suffered. Yet when the state of California wished to come into the Union, the slave owner boasted that if California declared for slavery, slaves would be worth five thousand dollars apiece! He did not stop to think that if this had really happened, it would have meant industrial ruin for the southern slave states.

**Was Cotton the Best Crop?** The reasons for the adoption of cotton by the South as the staple crop are well known. It was suited to the soil and climate of the region, and was in great demand by manufacturers and consumers in all parts of the civilized world. Most important of all, its culture was adapted to the shortcomings of slave labor, which could be used only in the rudest processes and those in which carelessness did the least damage. Again, slave labor must always be superintended carefully, and in cotton raising this problem was comparatively simple. The slaves worked in long rows

across the field, and an overseer or slave driver on horseback riding behind the line could, with a few well-directed blows of his whip, keep the line as nearly up to the mark as was possible.

The great danger in cotton culture was one inseparable from a system of slave labor, where the tendency was to do the one thing that could be done easiest and best under local conditions. If, for any reason, the cotton crop should be poor, the whole region would suffer, and a recurrence of any such trouble would lead to serious consequences. There was another danger that could hardly have been avoided. With a scattered population and a consequent lack of knowledge of what was going on in the outside world, seeing nothing but cotton raised and hearing nothing but cotton talked about, the cotton planters naturally came to have an exaggerated idea of their own importance to the prosperity of the nation. The use of the slogan, "Cotton is King," bore out this unfortunate idea. The low condition of education in the South, even among the better classes, fostered the mischievous notion, for ignorance is likely to fall into traps that might by knowledge have been avoided. If southerners had taken the trouble to examine the census reports, they would have found that cotton was very far from the top in annual value among agricultural products, and that the total value of the cotton crop for the years just before the war was only about half that of the northern hay crop! It was this disinclination to look the facts squarely in the face that led the South in 1861 to try conclusions with the North.

As we have already learned, any process that does not get the best possible results is wasteful to the degree that it falls short of perfection. In a great many industrial processes we still fall very far short,

Was the  
System of  
Agriculture  
the Best?

but we face the fact squarely and are trying all the time to improve ways of doing things so as to cut out the unnecessary waste. But this willingness to confess our industrial shortcomings is a recent tendency, and even yet broad-mindedness in this particular is not common. While it is very plain to us that slave labor was wasteful in the extreme, many slave owners would not acknowledge it, and those who did were unfortunately too much in the grip of circumstances to do away with it.

Let us review some of the shortcomings of slavery. 1. Slavery could use only the simplest and rudest implements. If any delicate or complex tool were put into the hands of the slave, it would be promptly broken. 2. Slaves could not be trusted with domestic animals, such as horses or cows, since they could not be intrusted with tasks that involved regularity. 3. Slaves could not be trusted in the fields without watching, since they knew that their work would be lightened if they could destroy a plant or two occasionally. If they could hit each other on the foot with a hoe, the three or four resulting weeks of idleness with a sore heel or toe would be cheaply bought at the expense of the pain attending it. 4. Fertilizer could not be used with slave labor, since its use required care and judgment, two things that even whipping could not instill into the slaves.

Hence under slave conditions land could be used for only a few crops, in the case of tobacco for not more than two. Then it must be left to grow up to sedge grass and scrub pine. This system of agriculture, known as "extensive" as opposed to "intensive" or careful, repeated cultivation of the soil, did not appeal to the planters as being especially wasteful, because they seemed to think that there was an unlimited supply of virgin land to the westward. Of course the wasting of the land in the South was not so noticeable until a quarter of a century after the use of the cotton gin became general. Think what must have

been the condition of affairs in the Atlantic coast states when the best cotton land had been exhausted, and it was possible to raise further crops only under the most unfavorable conditions. A traveler who was a keen observer affirmed that the state of Alabama was completely ruined in twenty-five years from the time when cotton growing became general there. Land could be bought anywhere in the state for \$1.25 per acre, while much of it had no salable value at all.

In the light of these facts, then, it is safe to affirm that under such a system of agriculture the available cotton land would some time or other come to an end. What then? Would the South find some new occupation for the slaves? There was no chance of this. There was plainly an intolerable situation in 1861, due to the misuse of the agricultural wealth of the South under slave labor. It is not easy to see in their true relations things that are close to us, and many men in the South did not at all perceive the underlying facts of the slavery situation. There were many men, too, who had nothing to lose and who might gain much by war. These were willing to rush their states into a struggle that was from the first economically impossible of success. The South was brought within sight of ruin by a mistaken agricultural system; let us see now what the agricultural North had been doing all this time, and what relation the two developments bore to each other.

Until the end of the eighteenth century nearly all the agriculture in the United States was carried on east of the Allegheny Mountains. The science of raising foodstuffs had not progressed to any extent in centuries; the rude wooden plow in use was not many degrees removed from the crooked stick of the savage, and plowing was an expensive process because of the great force needed and the meager results. The amount of food raised was barely enough for the growing

**Northern  
Agriculture  
in 1800.**



needs of the country, and when late in the eighteenth century attempts were made to buy food in the United States for use in France, the available surplus was very small indeed.

But with the opening of the nineteenth century several hopeful signs appeared. Agricultural societies were being started in several states, improved tools and better crops were resulting. The long-continued wars in Europe were creating so great a demand for food that American farmers, responding to the stimulus, raised grain and cattle for exportation. By 1817 agricultural exports were worth fifty-seven millions annually, only about one eighth what they now are, but a very great growth in a very short time. Best of all, the movement of the population over the mountains was bringing into cultivation the fertile soil of the Ohio valley, which was a great improvement over the less fertile and partially exhausted soil of the coast states. But this advance was accompanied by difficulties that must be settled before there could be complete success. The first of these had to do with transportation.

**Transporta-  
tion before  
1825.**

The Allegheny mountain system is not so high as it is broad. Numerous ranges of lofty hills extend from northeast to southwest, not joining, but overlapping. This makes it possible to cross the ridge without ascending any high peak, but it makes necessary a very long and crooked road, with many river crossings. To build such a route in a heavily wooded country where there were no roads was altogether beyond the means of the people until they had become fairly numerous, and even then the toil, time, and expense of moving goods made it impracticable to transport any except the least bulky and most valuable articles. By 1815 there was such a route between Philadelphia and Pittsburgh; a stage made the trip in a week, but freight wagons took three weeks for the trip. Dr. Seybert, writing of the year 1816, said,

"You may go from Philadelphia to Pittsburgh (it is necessary to consider that in making this journey we pass all the mountain chains which traverse the state of Pennsylvania) in the stage, three hundred and ten miles, in five and a half days, and be lodged every night on the route." At the present time the same trip, over a route forty miles longer, may be made in eight hours on an express train, and by a fast freight in not more than twelve. The freight rate was at least seven times what it is now, and it cost the passengers about four times as much for tickets as at present. So those who lived in the valleys among the western foothills could raise all the corn and wheat that they pleased, but, except for what they used themselves, their crop was valueless, unless it could be transported.

One of the attempts to solve this puzzle was made after the Revolution by the people of southwestern Pennsylvania. They were not able to move their corn in the raw state, but found that if they could turn their product into whisky, they could sell it profitably in such a form, since it would bear the expense of transportation. When the new government of the United States was in need of money to be raised by taxation, it had recourse to an excise tax on whisky, a tax on the manufacture of the liquor within the country. Perhaps this was an unwise move, since most Americans had inherited a hearty dislike for the word "excise," not only from their English forbears, but from their own experience before the Revolution. The tax certainly made the financial problem easier for the government, but it made things very hard for the people of western Pennsylvania, for they claimed that they could not market their grain except in the form of whisky. So much in earnest were they that they rebelled in 1794, and it became necessary to send a small army to subdue them. To get soldiers, President Washington called on the states to furnish

**The  
Whisky  
Rebellion.**

troops; this was really a critical moment in the development of the country, for the question was to be settled whether the government had the right to call on the states for troops and to use them for subduing disorder within one of the states. Things turned out favorably; enough soldiers were provided to form a small army. The army marched across the state, but by the time that it arrived on the scene of the trouble, the rebellion had entirely subsided.

**River  
Transportation.** Settlers on the rivers had a better means of transportation, but it was not until Jefferson bought

Louisiana in 1803 that the future of the western trade was assured. Flatboats and "arks" were used at an early period. Steamboat navigation was not established until after the War of 1812. Even so it was necessary to find an outlet for farm produce. If it could be carried down the river to New Orleans, it might from there be shipped to the Atlantic coast cities or to Europe, but in such a case it must be partially preserved. As methods of preservation were then very crude, there was little result from the downstream traffic in those days, except as it served to scatter population. There was still little market for farm produce, and there would never be a larger one until there should be a more direct way of getting the produce to New York or to some other large coast city. The agitation for canals was no new thing, but in the early days of such enterprises it took a long time to complete them.

**The Erie  
Canal.** It was planned to connect the Great Lakes region with the east by a canal extending to the Hudson at Albany. The first company organized for that purpose dates from 1792, but it was 1817 before the work was actually started. "Clinton's big ditch" was opened in 1825 with imposing ceremonies, and proved to be a great success financially, politically, and industrially. One of its great results was the surveying of

numerous other canals, some connecting with it, others in entirely independent systems. To be sure, not all of these canals were built, but so many were really begun that ten years later most disastrous effects came about, when some of the states plunged



LOCKS OF ERIE CANAL AT LOCKPORT.

Compare these locks with those of the Panama Canal at Gatun. In spite of the difference in size, the Erie Canal in 1817 was a greater financial burden than the Panama Canal ninety years later.

into canal building at a tremendous expense, far out of proportion to the immediate financial return to be derived from the projects. Most of the states that plunged into speculation of this sort could not carry the load of expense for the years that must elapse before the canal systems could become profitable; disastrous times came in such overambitious states. Undoubtedly if more of such canals had been completed, the

Middle West would have been more quickly settled, and the farmer might have benefited by being nearer his market. Yet in the end such action might have delayed the western extension of the railroads, to the ultimate damage of the region.

Although the Erie Canal did provide transportation for the Great Lakes, the Ohio valley was still without practicable communication with the seaboard. It must have this, or it must find some other market before it could attain agricultural prosperity. This problem was partially solved by the beginning of the live-stock industry. On the frontier farms where careful crop cultivation was still out of the question, it came to be the custom (after the War of 1812) to raise stock, gaunt, long-legged steers, that were entirely wild and worth little in that condition, but which could stand being driven long distances to the better-developed regions where corn could be raised cheaply. Here a few weeks or months on corn would put the cattle in prime condition, and then by slow stages they could be moved to the eastern market and sold at a good profit.

There was another similar industry that offered even better profits, the raising of swine, but the fat porkers could not be driven long distances. It was therefore necessary to kill and cure them as near home as possible. Here we have the beginning of one of the greatest of our modern industries, the meat-packing business. This began at Cincinnati as early as 1825, and has progressed so rapidly that at the present time the annual product of the meat-packing business is valued at about a thousand millions of dollars. One of the hindrances in the early stage of the industry was the absence of any means of preserving pork except the brine tub and the smokehouse. This stimulated the salt industry of the valley, and eventually the science of chemistry came to the rescue.

Where was all the pork sold? Much of it was used at home, but this local demand could not dis-  
 pose of more than a very small portion of the amount produced. The southern cotton planters found in pork and corn the best food staples for their slaves. The downstream traffic was waiting only for the steamboat to bring prosperity to the western farmer and ruin to the slave owner. Most cotton planters produced very little food; with their exaggerated idea of the importance of cotton, they thought it more profitable to buy pork and corn, and to direct the whole effort of the slave toward cotton culture. Four pounds of pork and a peck of corn per week seems to have been the amount served out to each adult slave, in addition to the food that might be produced on the plantation. It is often difficult to look ahead and see whether one's business is really profitable, but we must remember that the production of food is the most important of all industries, and that it is positively dangerous for any large group of people, occupying a whole country or a large part of any country, to cease to produce food and to become entirely dependent on others for the one necessity of life.

One of the best modern examples of this trouble is found in the present condition of affairs in Eng-  
 land. For many centuries England has tended to become more and more a manufacturing nation, and the relative amount of food produced in the island has steadily declined, until at the present time the people of Great Britain do not produce food enough to be worth considering, but are entirely a manufacturing people, and import their food from points at a great distance. The three main sources from which Britain obtains great quantities of the most essential kinds of food are Australia, Argentina, and North America. In time of peace, this lack of food is in a sense a source of danger, for the

**The Pork Market.**

**Farming vs. Manufacturing.**

freight charges add something to the cost of food. There is so much abject poverty in England, and the average rate of wages is so small, that even this small increase of cost is burdensome. How about this situation in time of war? The English people are always afraid of war, and believe that they must maintain a large navy to protect their food supplies. This navy must be somewhat more powerful than the combined fleets of her two great rivals, France and Germany, for if England should be blockaded at any time, and if the people should in two weeks be put on limited rations, the supply of food in the island might be made to last four months; but in six months the island would be starved out. So the British government feels obliged to build a certain number of ships each year, costing on the average about twelve million dollars each, and each one good for about ten years. These must of course be paid for by taxation, and as a result the taxes in England are extremely heavy; almost everything that can possibly be taxed bears its part of the burden. In its desperation, the government in 1910 proposed a land tax, a common thing in the United States, but used only in an emergency in Great Britain. By a tradition of the English government, the House of Lords, the members of which own nearly all the land, cannot negative a vote of the House of Commons on financial matters. Here we have "taxation without representation." It was this that brought about the recent agitation for constitutional change in the British government, and renewed the Irish struggle for home rule, because the Irish happened to hold the balance of power in the House of Commons, and in order to get their votes the government was obliged to promise them whatever they asked.

**The  
Danger  
in the  
South.**

Many of the ordinary problems of the country, that in time of peace are not thought at all serious, turn out to be most serious in time of war. If the

South had had any idea that it would some day be at war with the part of the country from which its food came, it would never have allowed itself to sink into any such state of dependence. The danger of its position was not unseen, but the southerners who dared to criticize southern policy shared the fate of calamity howlers of all times. The South was too earnestly given over to cotton raising to permit any one to suggest that there was any serious flaw in their system. Unfortunately the same facts apply to the situation of the South with regard to manufactured goods of all sorts. Prior to 1861 there was no manufacturing to speak of south of the Potomac, since it was found impossible to carry on such industries with slave labor, and the southerners bought all their manufactured goods either from the North or from England. As one aggrieved southerner wrote, lamenting the dependence of his section on another: "In one way or another we are more or less subservient to the North every day of our lives. In infancy we are swaddled in Northern muslin; in childhood we are humored with Northern gewgaws; in youth we are instructed out of Northern books; at the age of maturity we sow our 'wild oats' on Northern soil; in middle life we exhaust our wealth, energies and talents in the dishonorable vocation of entailing our dependence on our children and on our children's children, and, to the neglect of our own interests and the interests of those around us, in giving aid and succor to every department of Northern power; in the decline of life we remedy our eye-sight with Northern spectacles, and support our infirmities with Northern canes; in old age we are drugged with Northern physic; and, finally, when we die, our inanimate bodies, shrouded in Northern cambric, are stretched upon the bier, borne to the grave in a Northern carriage, entombed with a Northern spade, and memorized with a Northern slab."



Though this may have sounded like an exaggeration, the fact was that if the army and navy of the North could have blockaded the South, it would have been only a question of time before the slave states would have been starved out.

One of the evils of slave labor was its entire lack of adaptability. When slaves have once been taught to perform one simple set of tasks, they cannot easily be taught another industry of which they are entirely ignorant. When the same individuals were put into the position of free laborers, they became in time as versatile as "Yankees," but so long as they were slaves, a change in industry could not be made without an extraordinary amount of labor on the part of the masters. On account of this unwise dependence, the agricultural prosperity of the Ohio valley carried with it the economic ruin of the South.

Effect of  
Agriculture  
on Politics  
before the  
War.

During the early years of our national existence by far the largest part of the male adults in the land were farmers; hence when men spoke of the voting strength of a state, they meant the number of farmers. In the South this was not true, for, from the first, owing to the workings of the "Federal ratio," the cotton planters had a larger proportionate representation than the farmers of the North. However, the growth of agriculture in the North between 1789 and 1860 was far greater than it was in the South, and as time went on, the southern states saw their greater representation in Congress disappearing. They may have been unable to recognize the evils of their own industrial system, but it was plain to them that they were losing politically. This was especially true in the House of Representatives, where the consideration of money bills and local matters was especially important, and where there seemed to be no way to stem the growing power of the free states. In the Senate, however, where each state had equal representation, it seemed

possible to retrieve the loss by increasing the number of slave states. In this way the slave power would control enough votes to get its way about matters.

This political trouble first entered our national life in 1787, when the "ordinance of 1787" provided that slavery should never exist in the Northwest Territory. During the time when the Constitution was under discussion the states saw this political danger. Again, during the period of growth following the War of 1812, when freedom from fear of foreign intervention removed the weight that had been repressing the force of expansion, the South became acutely aware of the necessity of controlling as many as possible of the votes of the new states. Then followed the Missouri Compromise, which simply postponed the final settlement of the slavery question. In 1832 the state of South Carolina made trouble, and the political prestige of the slave states received a hard blow at the hands of Andrew Jackson, who, although born south of Mason and Dixon's line, was the embodiment of the spirit of energy as seen in the westerner of his day. After 1832 we find that, with one exception, the great movements in the United States were confined almost entirely to the free states. Westward expansion, railroads and canals, immigration, discovery of gold, occupation of the Oregon country, the rise of manufacturing on a large scale, all these affected powerfully the progress of the North. The only event closely connected with the spread of slavery was the Mexican War, one of the few incidents in American history of which we are not proud. So it becomes evident that for a generation before the Civil War, the agricultural South had been laboring under an increasingly heavy load of disadvantages. The years following 1850 saw great political unrest all over the nation. The Compromise of 1850, one of the great blunders of our

Free vs.  
Slave  
States.

national story, brought with it further complication. The Kansas-Nebraska troubles, the Dred Scot decision, and signs of political union among non-slaveholders led certain southern leaders to choose a great national question other than slavery as an excuse for war. Was the federal union higher than the states, and could it therefore coerce them? The great underlying fact, however, was that the South was overburdened by her system of labor, and only heroic measures could relieve her. We must not lose sight of the fact that the generation in power



COTTON PRODUCTION WITH SMALL CAPITAL.

This shows what it means to farm with small capital.

in 1860 was in no way responsible for the conditions to which it had been born. It simply did its best in a terribly hard situation, and it is not to be wondered at that the leaders did not do the right thing. Perhaps they were hurried into the wrong course by the fear of what might be done by certain northern zealots who felt so strongly on the subject of slavery that they could not wait for the tediously long process by which Providence is working out the uplifting of the world.

It seemed as if there was to be no end to the misfortunes of the South, for the war only added the finishing touches to the ruin of the soil. War always "dislocates" industry more or less. Mr. Lincoln believed that the most important thing was to end the war as soon as possible and then to reinstate the revolted states as full members of the Union. The shorter the war, the less damage to life and property there would

**Effect of  
the War  
on the  
Agriculture  
of the  
South.**



**MODERN METHODS IN THE CORN-BELT.**

Contrast this with the picture on the opposite page. This means farming with enough capital, which makes possible large profits.

be, for disease did far more harm than bullets. Mr. Lincoln realized that the South was exhausted in every particular, but he could not have understood how complete would be the paralysis of the industrial life of the South when the fighting should be over. Not only did the operations of war destroy property, but the slaves, the part of the planter's capital that was most in danger, were not of much use, and the land remained out of cultivation for so long that much of it returned to the wild state. Skillful agriculture was the only means by

which the South could regain her prosperity, but this called for large capital, and in this matter of capital the South was worse off than other regions, because a very large part of her wealth, perhaps nine tenths, had been invested in slaves, and these of course could no longer be considered capital. Hence the South was really worse off than if she were beginning her existence anew. Congress, impressed as it was with the foolish fear that the South was planning further trouble, did not in the least help the process of building up the destroyed agricultural resources of the conquered region. It is only within the last twenty years that the real "regeneration of the South" has come.

**The Effect  
of the War  
on the  
Agriculture  
of the  
North.**

At first sight, the agricultural interests of the North should have been seriously damaged by the war, since so large a proportion of the northern soldiers came from the field, while in the South the actual workman, the slave, did not enlist, though several of the southern leaders recommended that negro regiments be formed. War always creates higher prices, especially for the necessities of life, and in a war where the available food producers were lessened as much as they were in the North, there was a great demand for foodstuffs, even greater than would naturally have been expected. The only possible solution of the question was that such farmers as were still in the business should produce a greater amount, and this meant the increased use of farm machinery, with more care in the cultivation of crops. This gave an impetus to the manufacture of all sorts of labor-saving appliances that would lessen the cost of raising food, and at the same time increase the yield. In the years after the war, when industrial life settled down again and capital was seeking investment along new lines, the country saw a new opportunity

in this direction, and for this reason the United States has taken the lead among the nations of the world in the production on a large scale of agricultural machinery. In spite of the labor situation during the war the production of food-stuffs actually increased between 1861 and 1865, because the farmer could buy machines of greater efficiency, and although the price was of necessity very high, agriculture prospered. The northern farmer, however, had still other troubles to deal with.

An essential to the western farmer was the railroad; he could neither market his product nor buy his supplies without its services. Down to the time of the Civil War there were no large systems of railroads, such as there are to-day. The small lines were only beginning to consolidate, and the completion of the first long line across the continent gave its projectors a great deal of power in the agricultural world, for the granting of through rates became possible, and there were no laws at that time regulating the powers of the railroad in this particular. The grant to the Union Pacific consisted of certain alternate sections along the line, which, with the land grants to other railroad corporations, came to the astonishing total of two hundred and eighty thousand square miles, or an area nearly as large as the old Northwest Territory. Most of this was desirable land. There were several ways in which unscrupulous railroad officials could overreach the government. By fraudulent surveys, the railroad sections could be made to include the water privileges, and in a sparsely watered country, cattle raising could not be carried on without such privileges. By similar frauds, lands rich in minerals could be made to fall within the railroad tract. Lastly, the railroads could forward the sale of their own lands at a good price and shut the government land out

**The  
Farmer  
and the  
Railroad.**

of the market by offering lower freight rates or by giving rebates to those who purchased its lands. These, of course, were unjust advantages, but they introduce us to one of the most important questions of our twentieth-century domestic policy, the question of the regulation of freight rates.

**Railroad Rates in Theory.** The law regards a railroad as a common carrier. "Common carriers are those persons who undertake to carry goods generally, and for all persons indifferently, for hire." There are two ways of looking at railroad rates, from the standpoints of the shipper and of the investor. The shipper wants as low rates as possible, the investor wants as high returns as possible; hence it is evident that some mean must be found, or gross injustice will be done one of the parties. Undoubtedly the railroad does a valuable service to the public, to farmers, and to manufacturers. Indeed, we are now so dependent on the steam road that we could not possibly get along without some such form of transportation, but the point of the matter is this: we grant valuable privileges to railroads to enable them to operate to good advantage, and neither we nor the roads should forget that they are public servants, owing a debt of thanks to the community in which they operate, and bound to serve it. They are not to become its masters. Certainly the road has a right to make such charges as will enable it to exist and to make a lawful return to those who finance it, but exorbitant rates and profits are alike wrong. The vexed question lies in the determination of the rate needful to enable the railroad to run on a profitable scale, and it is difficult to determine who shall be the judge of this. Because of certain cases, like that of the *Crédit Mobilier* and the wrecking of the Erie Railroad, the public unfortunately got the idea that dishonesty and large railroad operations were inseparable, and much injustice and

hard feeling on both sides resulted. At the present time most states have "railroad commissions," which deal with roads and rates within the state; we have also a federal body, the Interstate Commerce Commission, a body that might accomplish great good, but which so far has not been able to do all that its projectors hoped. It is difficult to realize that fifty years ago there was hardly any law regarding railroads, and that the immense body of law relating to transportation has grown up since the Civil War. With the expansion of railroads and railroad building, it became clear that something must be done to curb the action of the roads in giving special rates to certain places and persons.

Just after the war an organization known as the "Patrons of Husbandry" was formed, with the purpose of improving the social and financial life of the American farmer. It is commonly known as the "Grange," and the movement for the regulation of rates in which that organization took the leading part is known as the "Granger movement." In what were then the northwest states, which were almost entirely grain-producing, there was great complaint against the roads because of the unfair rates and the way in which they were determined. There was much to be said on both sides of this dispute. The farmers were producing immense crops of grain, crops so large that the railroads with their poor equipment were unable to move them, and the price of the product was so low that even a moderate rate seemed to the farmer more than he could pay. The railroads were suffering from overcapitalization, and were struggling to pay dividends so that they might carry on the extensions that they planned, and if they lowered their rates, it would not only force them to stop all extensions, but would also force them to operate at a loss, which they could not do. There had

**The  
Granger  
Movement.**



been so many fraudulent transactions in the formation of railroad companies that people in general took no stock in the mournful complaints of the railroads, but thought that their projectors were becoming rich on unjust freight charges.

The Grangers took up the fight in the legislatures of the grain states, and forced through certain laws regulating rates and adjusting the rate question. The roads retaliated in various ways, and in a few years were able to secure the repeal of those laws. But the movement did not, by any means, fail of its effect for all that, because in 1876, and the years thereafter, test cases involving these laws were taken to the Supreme Court of the United States, and the court sustained the laws. Thus was established the right of a state to regulate railroads and railroad rates within its own borders. This was in itself a victory for the farmers, for it showed the railroad power the political effect of the agricultural vote, and the necessity of being fair, if the roads wished to keep their valuable privileges. Later agitation has gone still farther along the line of the regulation of passenger as well as freight charges. In the passenger service has arisen the question as to whether the roads can afford to get along with the rate of two cents per mile, now charged by law in many states. In freight circles the points in dispute are discrimination, rebates, and differential charges, and such vexatious questions as the difference between the "long haul" and the "short haul."

**The Rise  
in Standard  
of Living.**

The two parts of the nineteenth century show a great difference in the manner of life of the farmer. In the first part of the century the American farmer was still largely self-sufficing; his farm produced nearly all that he and his family needed, and the outside wants of the family were very moderate. The Civil War forms the dividing line. The building of railroads and the increasing steam navi-

gation not only brought to us many goods that we could not have had before, but it brought the market nearer and helped us to sell our products to better advantage. This movement is still advancing, and at the present time the standard of living for the farmer is much higher than it was fifty or even twenty-five years ago. Life has become far more pleasant and a good deal more profitable, but the finances of the farmer have become complicated with national questions of politics and finance in a way that never bothered him in the days when he supplied himself with all that he needed. Then, too, in the last fifty years the United States has taken her place as a world power, not only politically, but in a commercial sense, for at present the value of the goods imported into the United States each year is about two billion dollars, while the exports amount to considerably more. The price of all goods in common use will therefore be more or less affected by foreign conditions.

The manufacturing population of the country must be fed, and most of the food, at least in its raw state, must come from the farmers; however, a little thought will show us that a great many important industries are also dependent for their raw materials on those who till the soil of the United States or of some foreign country. Examples of these industries are: textile industries using cotton, wool, flax, or hemp, the boot and shoe industry, the meat business, the canning interests, beet or cane sugar, tea and coffee, spirituous and malt liquors, industries using grain, such as the manufacture of breakfast foods and coffee substitutes, the tobacco business, and the handling of dairy products. The annual value of these products amounts at the present time to about one half the total value of all the manufactured products of the country.

**The Dependence of Manufactures on Agriculture.**

So the food for all and the raw materials for one half of the workers in factories are vitally affected by everything that affects the prosperity of agriculture. It also happens that agricultural workers of all grades are even more vitally touched by the financial considerations that affect these industries, especially by tariff duties and the changes that from time to time take place in them.

**Origin of  
our Tariff  
Disputes.**

Until after the War of 1812 agriculture was the principal industry of the land, with commerce second and manufacture carried on in only a very small way. It was natural, then, that the country as a whole should dislike any import duty on manufactured goods, since, while it might bring in money for the government, it increased the price of goods to the consumer. It was a little unfortunate that when the War of 1812 made it possible for Americans to go into manufacturing, the beginnings of this industry should have been in the East, and should not have been equally divided between the East, West, and South. The people of the East were mechanically inclined; the rough pioneer life was for them a thing of the past, and they began to see that in agriculture they could not compete with the virgin lands of the West. They had the necessary power in the numerous waterfalls, and there was a plentiful supply of free labor at hand to use in the business.

This unfortunately introduced the sectional feeling into the tariff dispute, which henceforth became one of the important national questions. There was a section in the East increasingly given over to manufacturing, while all the rest of the country had to buy its supplies of manufactured goods either in the East or abroad. This manufacturing nucleus slowly spread westward and, after the period of reconstruction, southward, so that at the present time there is more or less manu-

facturing in every section of the country. In the first half of the nineteenth century, however, the feeling between the manufacturing section and the agricultural region nearly involved the country in war.

During the three years immediately after the War of 1812 land and farm products had a higher value than was natural, owing to the stimulating effects of foreign demand along certain lines and of migrations within our country. At the same time industrial enterprises that had grown up during the war found themselves in trouble, because they were not yet able to compete with foreign manufacturers. Hence came two demands that have largely colored our politics ever since, a demand on the part of the farmers for a home market, and on the part of the manufacturers for protection until they could stand alone. It seemed to the farmers that protection to the manufacturer would bring them the home market they wanted, so on this occasion they united with the manufacturers in the demand for a gradual increase in the rate of import duties during the ten years after the War of 1812. Opposition to this demand came from people engaged in the import trade who thought that the heavy protective duties would spoil their business, from the South, where the higher price of manufactured goods would be keenly felt, and from certain manufacturers who used protected raw materials, and who therefore feared loss in competition with foreign manufacturers of similar goods. Hence it will be seen that while a geographical division of the country over the tariff was appearing, there was no political alignment as yet.

Events  
leading  
up to the  
Tariff of  
1832.

As the year 1828 approached, the agitation for heavy protective duties centered around the textile materials, with wool as the most important, and cotton, flax, and hemp following.

Naturally the question came to interest manufacturers especially. So, in the period just before 1828, politics entered into the tariff question for the first time, for the followers of Jackson (Democrats) averred that the Adams men (Whigs) and the influence of New England were behind the protective movement. This identifying of the pro-tariff party with New England and the Whigs would certainly be followed by the connection of the West with the anti-tariff people. When a highly protective tariff bill was passed in 1828, no one liked it. Political trickery brought the bill into existence, but the fact was that duties were to be so high that all parties were dissatisfied; the only sections of the country that could find any comfort in it were the agricultural West, where the protection given wool and hemp was popular, and the manufacturing East, where the wool manufacturers saw a small ray of light. In the agricultural South the opposition to the bill was very bitter. Since the whole country wished a revision of this law, what form would it take?

**The Tariff  
of 1832  
and 1833.**

The greatest opposition to the law of 1828 had come from the South; the high rates on various classes of goods raised the prices not only of those goods but of other commodities also, and the agricultural South, saddled with the weight of slavery, was falling so far behind the North that the burden was felt more severely than could be realized in other parts of the land. The agricultural West was slowly losing interest in the home market idea, and consequently was out of sympathy with protection. It was inclined to join the ranks of the "stand-patters," who did not care for any great changes either way. When the tariff act of 1832 was passed, the duties laid under its provisions were moderate compared to those of the act of 1828, but the southern leaders determined to make opposition to it a matter of

principle, for if such an act should be passed, they were afraid that protection would become a permanent part of the policy of the country, and they saw themselves under great disadvantages if this should occur.

Then followed the nullification act in South Carolina, with Mr. Jackson's vigorous enforcement of the sovereignty of the United States. There was some sympathy for South Carolina elsewhere in the South, though no other state joined in forcible protest, but it was thought wise by the government to make some kind of compromise, considering that so large a section, devoted entirely to agriculture, felt so badly aggrieved. So the tariff act of 1833 was passed, providing that during a period of ten years the rates should slowly be reduced to the point where they were just after the War of 1812. It was thought that in this way the country at large would be able to adjust itself to the coming changes, and there would be no trouble over prices and values. However, this compromise bill did not do very much good, for it did not remove the cause of the trouble, namely, an impossible agricultural system in the South. Constantly putting off the remedy simply made matters worse in the section where the trouble lay.

During this period of twenty years the North **The Tariff, 1842-1861.** (east and west) went through a time of great development and prosperity, with occasional slight halts in progress, but conditions in the South were widening the chasm between North and South. In the manufacturing part of the country the movement of consolidation among small industries began, and the rapid invention of machinery of great importance to our industrial life gave a powerful impetus to both manufactures and agriculture. Transportation also improved wonderfully; this period saw a great extension of railroads, and the consequent rise in land values, with a broadening market, in-

fluenced powerfully the American farmer. It made it possible for him to secure more help from among the thousands of Irish and Germans who were coming to this country, and the promise of a larger market gave him confidence to strike out into new fields. As was natural, the farmer became less interested in the tariff, since he had other more vital issues to attend to. The tariff acts passed during this period have very little to do with agricultural conditions. In England during this time one of the greatest movements for the good of all classes was going on, a movement known to us as the repeal of the corn laws; this affected vitally the living conditions of the whole English people. Our next problem is to see in what way the tariffs of the Civil War period were influenced by the farmers and their interests.

**The War  
Tariffs  
and their  
Effects on  
Agriculture.**

During the Civil War a number of tariff acts were passed, levying very high duties on imported goods. There was little objection to these laws while the war lasted, for people understood the necessity of raising large sums to meet the expense of the war.

But after the war there was no longer the same necessity for heavy duties, and the West, that is, the agricultural section, was seriously hurt by the high prices prevailing as a result of the heavy duties. It happened that for nearly ten years after the war the agricultural interests of the country were in very bad shape, and were therefore ill able to bear any extra burden. Prices of foodstuffs were high during the war, but fell rapidly after 1865, and transportation facilities were comparatively poor. Thus there came in the West a constantly increasing demand for tariff reform, a movement that is still powerful, and plays a very important part in national politics, since "the West" is so much larger and so much more powerful politically now than it has been hitherto. The movement has been com-

plicated with other questions, and will come up in connection with the discussion of them.

One of the best examples of this complication of **The Tariff** interests is found in the high import duty on wool **on Wool.** and woolen goods. There are three parties interested in this: the manufacturer, the consumer, and the producer (the farmer). The manufacturer wishes for a high duty and as much protection as he can get. The consumer opposes this, because it makes commodities cost more. The farmer is in a quandary, because while it makes it possible for him to sell his wool at a higher price, still he has to pay more not only for his clothes but for many other things, on account of the existence of the protective system. The people of the West seem to be strongly of the opinion that in the long run they would be better off if the duty on wool were lowered, or if there were no duty on its importation. This question of the free importation of wool, or, as it is commonly called, the revision of "schedule K," is actively discussed in political circles, but is prevented from becoming a typically sectional question by the fact that very few American farmers devote their whole attention to sheep raising, but a great many raise a few sheep as a side line, and so do not form a distinct class in a definite region. Another question that is still undecided, and that shows well the interrelation of interests, is the connection between the farmers and the sugar question.

A good example of the importance of the tariff, **The Sugar** politically and economically, is seen in the clauses **Bounty.** in the tariff act of 1890 relating to the sugar industry. There had been for a number of years a duty on imported raw sugars amounting to two cents a pound. This was supposed to be a revenue duty; it taxed the people at large for the support of the government, each person paying a tax of two cents for each

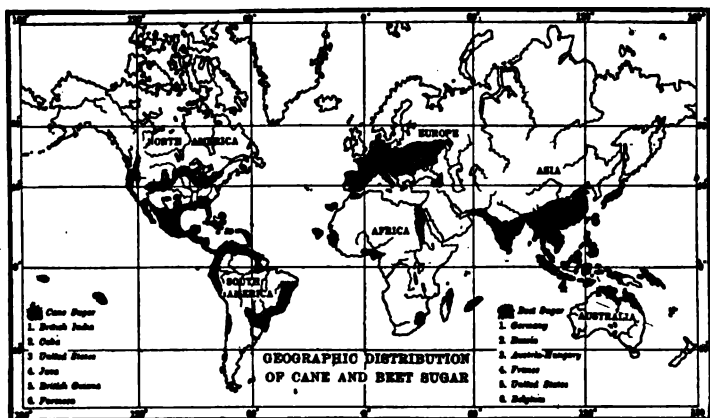


pound of sugar he bought. Although a small tax, it yielded a return of over fifty million dollars a year. Though most people looked at it as a revenue tax, the Louisiana farmers regarded it as a protective duty; these people were entirely given over to sugar raising, yet they produced only one tenth of the amount used every year in the United States. The sugar raised in the near-by islands could be produced so cheaply that if it had come in free of duty, the Louisiana planters must have been driven out of business, and this would have affected very seriously the prosperity of the whole state.

This situation put the party leaders in a quandary; they were anxious to pay some attention to the western demand for tariff reduction in a way that would be a good advertisement; for certain reasons it seemed best to use the duty on sugar for this purpose. But how would a reduction in the duty affect the Louisiana farmers? This trouble could be avoided by paying them a bounty of two cents for every pound of raw sugar they produced, which would make up to them the loss that would otherwise have come through the lowering of the duty. There were two other political elements that entered into this question. One was the beet sugar question, the other the problem of the Hawaiian Islands.

**Beet Sugar.** It is to be remembered in this matter of the sugar bounty that the only part of the country directly affected was Louisiana. At that time another sugar-producing industry was just beginning in the country, the raising of the sugar beet. Although there were climatic conditions that confined this industry to certain regions, the production was not nearly so restricted as in the case of cane sugar. The importance of this new branch of the sugar business may be seen when we remember that it is barely a hundred years since the attempt was first made to extract sugar from the beet, and that at the

present time about two thirds of the total sugar crop of the world is made from sugar beets. The principal requirements are a certain kind of soil, plenty of moisture until the plant is well grown, then plenty of sunshine during the period of maturity. If the latter is lacking, the beet will contain a small amount of sugar, and the profits on the crop will be accordingly less. Conditions that furnish these requirements are to be



Notice that while sugar cane is raised almost exclusively in the torrid zone, the sugar beet is raised throughout a wide range of the temperate zone. Yet the regions in which the sugar beets are raised are as yet rather limited.

found in certain of the central states and in some of the western valleys; consequently any discussion of the influence of the sugar duty on national politics includes all these states. From a problem that concerned only one small region, the sugar question has grown to be a very important matter, since it affects one of the necessities of life and the prosperity of a large agricultural area.

The question of the duty on sugar is also connected with the relations between the United States and the Hawaiian Islands. Our interest in the

The  
Hawaiian  
Islands.

islands has always been deep, as seen in missionary efforts and the commercial dealings of the islands with the States as nearest neighbors. The native islander was always easy-going and indolent, and all the enterprise and industry of the group eventually came into the hands of foreigners, — Germans, English, and Americans. These men had complete control



CUTTING SUGAR CANE.

When we consider the hard labor in the broiling sun, and with it the fact that people in the torrid zone are not as energetic as we are, it is no wonder that the labor problem in the sugar region is difficult to solve.

over the commerce, but had little influence over the politics of the kingdom. Since the islands considered the United States as their natural market, it was very necessary that commercial treaties should protect the chief source of income, sugar raising. This the foreign element was able to bring about in 1875, and for fifteen years the Hawaiian planters made fine profits, because while their raw sugar was imported free

into the United States, they got the benefit of the high price that prevailed as a result of the duty paid on other imported sugar. The planters were able to make great fortunes during these years, for they had their own refineries on the Pacific coast, and had a practical monopoly of the trade of the region west of the Rockies. But in 1890 their troubles began. One difficulty was the labor question, for the native Hawaiian was not industrious enough for the purpose, and the owners of large plantations were obliged to bring "coolie" laborers from a distance at great expense, which of course cut into the profits. The worst trouble was the tariff act of 1890, by the terms of which the import duty was done away with, and the compensating bounty of two cents per pound was given to men who produced raw sugar in the United States. This made so great a difference to the islanders that they claimed to be almost ruined, because, being out of the States, they could not get the benefit of the bounty. Then followed the series of events by which the foreign element in Hawaii rebelled against the native queen and attempted to become a part of the United States. However, they could not carry out this annexation plan until the Spanish-American War showed us the necessity of controlling those islands situated just at our door, and directly between ourselves and our new island possessions. It was not until 1900 that the Hawaiian Islands became an essential part of the United States.

A question of similar import arose over the admission of sugar and other products from the island of Porto Rico, products that might possibly be taxed on entering the United States. The Constitution of the United States says that "all duties, imposts, and excises shall be uniform throughout the United States"; consequently if Porto Rico were a part of the

Admission  
of Com-  
modities  
from Island  
Depend-  
encies.

Consequently when the Spanish War brought us certain island possessions where tobacco could be raised far more cheaply than our own farmers could produce it, it was only natural that all the political influence of our agricultural interests should be thrown against the free importation of tobacco from the Philippine and other islands. Although the islands were in very bad industrial condition, the best that could be obtained for them at first was remission of 25 per cent of the duty. At the present time the Philippines are allowed to send to the United States each year a certain number of cigars, duty free. This problem will be cleared up in time; it is by no means unlikely that at a date not very far in the future the tobacco of the Philippines will be really needed in the United States, on account of the inability or unwillingness of the American farmer to produce enough. As one industry after another proves to be unprofitable, people find out new ways of using their capital. In the course of such changes the industrial hardships of our island dependencies will be relieved.

**Agriculture  
and Educa-  
tion.**

We are constantly brought face to face with the fact that almost all the progress of the world has taken place within a very few years. The Crusaders of the Middle Ages, and the English soldiers who fought the great battles of Crécy, Poitiers, and Agincourt had progressed no farther in military science than had the soldiers of the legions of imperial Rome. The peasantry of Europe in the seventeenth century were not as far advanced as were the market gardeners who supplied the tables of the wealthy Romans 1500 years before. When George Washington was President, interest in agriculture was just beginning to appear. Mr. Washington himself, as his letters show, was experimenting with new crops, and was studying the rotation of crops on different soils. In one of his last messages to Congress he urged

on that body the wisdom of creating a part of the government to care for agricultural interests and to extend the study of the science. Yet the plow of Mr. Washington's time was little better than the crooked stick of the savage, and Mr. Washington had no idea of the chemistry of soils, or of the real reasons for the results that he obtained in his experiments.

The national government paid no attention to his suggestions until 1862 when the department of agriculture was organized. At the same time the government provided for the establishment in each state of schools of college grade for the scientific study of agriculture and for the training of farmers in all things pertaining to their profession. An addition to this came in 1887, when the national government provided funds for the establishment of agricultural experiment stations in connection with the colleges already established. At a later date the allowance to each state was raised to \$50,000 per year. It would be hard to overestimate the value of these stations and schools to agricultural education, for they are largely responsible for the tremendous advance in the agricultural methods of the American farmers in the last forty years. In truth, the work of the department of agriculture, though not occupying a prominent place in the public notice, has become one of the wonders of our government.

The department has introduced into the older parts of the country new crops, new methods, appreciation of the value of new tools and commercial fertilizers, and has shown practical results on experimental farms maintained in many places. In many sections of the country trains have been fitted up with exhibits of tools, methods, and products, and with lecturers from schools of agriculture have made slow trips through regions that, as a rule, do not take to new ideas readily. The results of this have

**What the  
Department  
of Agriculture  
Does.**

been most astonishing; ambition and financial daring have lifted the farmer out of his slough of despond, and though his success under the new conditions has been the result of time and a great deal of hard work, the net results have been most gratifying. Incidentally it has benefited the country in other ways: in the sale of improved tools on a large scale, in the demand for good education and good roads, and in the general uplift of rural life. It is not too much to say that the department has made it possible to cultivate profitably thousands of square miles in the new parts of the country that would otherwise have been waste land to this day. New plants have been introduced from all over the world: dates, figs, citrus fruits, varieties of clover, wheat, and cotton. The department of agriculture maintains the weather bureau, of value to all classes in the community, and a bureau of chemistry, to which we are indebted for the pure food agitation of the last few years. In short, there is not another department of the government that has accomplished so much for the practical good of the country, and it has done all this within a half century. Certainly some of the greatest benefactors of the country are those who are not so prominent on the pages of history, but who have, without public notice, accomplished such wonderful results. Not the least valuable of the means for permanent good used by the department of agriculture is the long series of bulletins on all manner of subjects relating to the farm and farm life.

**Agricultural  
Education  
in the  
Lower  
Schools.** Within the last few years the bureau of education has been encouraging the efforts of the states to give agricultural education in the grammar and high schools. Although the movement is still young, the results are very gratifying. More than half the states have, through their legislatures, authorized the spending of money for such purposes. In Michigan in 1910—

1911 six high schools offered four-year courses in agriculture, and in Massachusetts at present eight high schools and three normal schools teach it. In sixteen states there are special schools receiving state aid, in Massachusetts such a school receives half its running expenses from the state, while in the public high schools the state pays two thirds of the salary of the agricultural instructor. In some states land grants are made for the support of such schools, and in the distinctively agricultural states training in scientific farming forms an essential part of the high school system. Normal schools and colleges are trying to prepare teachers for such work, for at present the great obstacle to success is the lack of suitably prepared teachers. Wherever agricultural education has been introduced into the lower schools, farmers are enthusiastic over it; it is plain that if such a scheme can be carried out, the next fifty years will see a great increase in the attractions that farm life can offer to the average citizen. All these tendencies strengthen the nation, socially and politically, to a degree greater than we can possibly estimate.

It is difficult for us to realize the vast importance that the public land question once played in our national politics; it was one of the serious problems that showed the necessity for a federal government, and when the government was actually in running order, Congress was very slow in forming any regular plan for selling the western lands to settlers. Even as late as 1840 the rate of immigration was very small; about 1830 it was estimated that at the rate at which the land was being sold it would be five centuries before all the arable land in the public domain would be in the hands of private owners. As it turned out, that point was reached in much less than a century. This was due to two causes, the enormous immigration and the Homestead Act. Immigration helped on

**The Public  
Lands.**



the occupation of farm lands because a large part of the foreigners who came in after the Civil War saw their best chance for comfort and prosperity in farm life. The Homestead Act became a law in 1862; it gave a settler a small area of land on very easy terms, the main requirement being that he should be a permanent addition to the strength of the state where he settled. At the present time a "homesteader" may take up three hundred and twenty acres.

**The Effect  
of the  
Homestead  
Act on  
Growth.**

It is a curious fact that such a method of home making should have appealed to two sets of men who might otherwise have been sources of great danger, the discharged soldiers of the Civil War, and the immigrants who began to come in such numbers that in the decade 1870-1880 they amounted to two and one half millions, while before the end of the century they numbered nearly a million in a single year. In the twenty years from 1860 to 1880 the number of farms doubled, and the population was far more scattered than before. This made it possible for one territory after another to acquire statehood, for although the population was sparse, the great area of the western agricultural states soon included the number of settlers necessary for statehood. The new state would have a small representation in the House of Representatives, but in the Senate would be equal in power to the older states. Hence with every new agricultural state admitted, the interests of agriculture were better served by the national policy. Now that all our continental area has been made into states, the question of statehood is transferred to Porto Rico, the Hawaiian Islands, Alaska, and the Philippines. Except for Alaska, the relations of these regions to us are agricultural only, the chief occupation in the islands is the production of food or raw materials that can be manufactured in the United States proper. This new

political question will become increasingly important as time goes on.

Agricultural prosperity and railroad development are closely connected. As soon as a railroad is constructed through a new region suitable for farming, it is to the interest of the railroad to advertise that section and to build it up as fast as possible, in order that its own profits may be assured. The land owned by the roads was so immense in area that they could afford to sell it for small sums and still make great profits. In the centennial year western roads were putting their lands on the market at prices ranging from two dollars to ten dollars per acre. While the railroad waited for its traffic to develop and for a return to be made on its investment there was sure to be a contest between the farmers already in the region and the railroad company. The farmers wanted better and cheaper transportation facilities; the railroad tried to operate with as little expense as possible. Such a quarrel we have already seen at the time of the Granger laws.

**Economic  
Effects  
of the  
Homestead  
Act.**

In sparsely settled districts local improvements became a serious problem; good schools, good roads, churches, libraries, and all the public utilities, such as gas, electric lighting, telephones, and electric cars, are difficult of attainment on account of the taxation question. Such new communities cannot bear taxation as can the older, more thickly settled region, where land is valuable and taxable property exists in plenty. Good roads concern the farmer vitally because he cannot, like a manufacturer, locate on a side track, but as a rule must haul his produce for some distance. It usually happens that his produce is bulky and heavy, and the cost of hauling is directly affected by the condition of the roads. Hence the "good roads" campaign has spread over the country. One of the best

advertisements for an agricultural region, especially for the foreigner, is a good school system, for immigrants as a rule are eager that their children should have every chance to get the education that was denied them in the home country. The political wisdom of public improvements is plain; the question in any given locality is simply one of the expense to which it is wise to go for such public duties.

**The Re-  
generation  
of the  
South.**

Probably the greatest change in American agriculture during the last ten years has been in the region included in the field of the Civil War. For twenty-five years after the war agricultural conditions in this section were very discouraging. There was so great a loss of buildings, tools, and live stock and so much decrease in the fertility of the soil that actual conditions were about as bad as they could be. In a financial way matters were also very bad indeed, because under the old régime the vast proportion of the capital of the cotton raisers was invested in the slaves; and this capital was, of course, swept out of existence. It has been estimated that this amounted to a dead loss of two billion dollars to a section whose total wealth was not much greater than that figure. In 1865-1866 the price of cotton was so high that many planters had the courage to raise it on borrowed capital. This was really unfortunate, for it embarked the South on a period of improvident borrowing, in an attempt to perpetuate the old agricultural methods from which it was afterwards very difficult to escape. Lack of capital compelled small scale production; it forbade improvements in tools, the extensive use of commercial fertilizer, or the raising of better farm animals. It took the South about forty years to throw off the weight of this mistake and to get a fresh start on a better basis of scientific agriculture. This great change in agricultural methods has been brought about by education in the schools, by

farmers' institutes, and by local demonstrations. It has been found that old land supposed to be worn out by slave culture could be successfully worked, so as to produce as much as two bales of cotton to the acre. Diversity of crops, rotation of crops, underdraining farm land, drainage of swamp areas, all have put the southern farmer in position to pay his debts, buy better machinery, build a better house, and educate his children. Since 1905 this progressive movement has gone on very rapidly, and it will in the future develop even more rapidly as education of every sort makes more evident to the poor white and the poor negro the real value of the new agricultural methods.

For many years after the war Congress did its best to oppress the South. The right to vote was the center of the disturbance, and the phrase "solid South" came to represent a steady Democratic opposition to a Republican majority in Congress. Already there are signs of political changes in the South. Prosperity brings education along all lines, and with education right-minded people are not willing to submit to the dictation of political bosses. There are still such bosses, and doubtless will be for a long time, but a better conception of political honesty and civic duty is coming to mankind. With such strides in the development of her mineral wealth, with the increasing of her water powers and the growth of manufactures on a large scale, with her new broad, liberal education, the South will no longer be a cipher in politics, but will become what she ought to be, a prominent actor in national affairs by reason of her great national interests. With more intelligent leadership and more intelligent demands, the South will some day take the place that her ante-bellum leaders tried to think that she held. Before the war the interests of the South were purely local, and the ignorance of national conditions and national questions was astonishing; now the

The  
Political  
Value of  
this Change.

South has good newspapers, and southern interest in national questions equals that of other sections of the land. The great agricultural interests of the country are of vital importance not only in the South, but in the case of our northern neighbor, Canada.

**Our  
Next-door  
Neighbor.** Near neighbors with their many common interests have such personal differences that more or less severe friction seems inevitable. The Dominion of Canada extends along our whole northern boundary and differs only a little from us in soil, climate, products, and population. There are no natural boundaries that are difficult of passage, like the Pyrenees between France and Spain, or the Alps between France and Italy. Rivers and lakes form the water boundaries. With one exception, the land boundaries are arbitrary lines and have nothing to do with the natural "lay of the land." This means that there is a free movement of population to and fro across the lines; the same language and customs are to be found on each side of the line, except in the province of Quebec, where there are many French-speaking persons. Near the boundary the money of either country circulates freely, and there should be a natural exchange of products by people living so near together. The fact remains, however, that national differences are bound to counteract this local friendliness, and that national tariff laws must interfere with the natural interchange of the products of agriculture and manufacturing.

**Canadian  
History to  
1867.** Down to 1867 the regions north of the United States did not grow as rapidly as did the States. There are many reasons which account for this backwardness; perhaps the most important was a lack of the proper kind of government, coupled with an unfriendly spirit among the Canadians themselves. The French of Quebec did



HON. WILLIAM SMITH, HISTORIAN OF CANADA.

The close connection of Canada and the United States from early times to the present is nowhere better shown than in the lives of the three William Smiths. The first of these came to America as an eighteen-year-old boy in 1715, and his grandson died in Canada in 1847. The short sketches in Appleton's Cyclopædia of American Biography tell the story. (From a pencil sketch in the possession of the author.)

not get along well with the English; the original settlers of Ontario formed a little clique by themselves, and the "United Empire Loyalists" hindered the growth of the country by their short-sighted exclusiveness. Down as late as 1867 the Canadians were entirely devoted to agriculture; circumstances shut out manufacturing except a little of the simplest sort. The country seemed dependent on the United States or on England for its manufactured goods, and would sell its own agricultural products in whatever country there appeared to be the best market. Naturally this would be the United States, provided that the commercial jealousy of the American farmer did not raise a tariff wall against such importation. With such problems the Canadians struggled until the year 1867 brought relief.

**Canada**  
**since 1867.** With the formation of the "Dominion of Canada" in 1867, the hopes of Canadian development began to be realized. This government is in form a union much like the United States, except that at the head there is a governor general, appointed by the crown. This results in what seems to Americans a strange mixture of loyalty to the crown of England and a constant fear of injustice or neglect from the same source. This feeling is not alone Canadian, but is present in the other great English colonies. The natural fear of losing a colony urges England to treat her great colonial possessions with all possible wisdom. For twelve years before 1867 Canada and the United States maintained free trade relations in all commercial lines. This was greatly to the advantage of the United States, for it gave them a chance to export machinery and finished products to Canada, but it was bad for our neighbor, because it prevented the growth of manufactures and kept the provinces in the condition of a debtor nation. For twelve years after 1867 mutual bitterness prevented commercial agreement between the two countries, and in 1879 the Dominion

adopted a protective tariff more or less vexatious to Americans. This has existed ever since, and forms one of the foolish barriers to progress that human prejudice has raised. The American farmer formerly thought that he ought to hit back at this policy, and that he ought to be protected from competition with cheaply raised Canadian agricultural products. Results show that as a nation we have ourselves suffered from our selfish policy. It is true that there have been many causes of friction between the States and the Dominion. Riel's rebellion, the Fenian excitement, the Bering Sea controversy, the fisheries question, the Alaska boundary dispute, all have made trouble in the past, but the future holds promise of a more friendly feeling.

The last decade of the nineteenth century brought <sup>Canada</sup> hard times to Canada as well as to the United States, <sup>since 1900.</sup> but the development of the great Canadian railroads has worked two unlooked-for changes: first, the discovery and development of remarkable mineral wealth, and second, the development of the great grain-raising area in the western provinces. These two circumstances have served to make our relations more friendly in many senses, and have postponed indefinitely all talk of annexation. The development of railroads, mineral wealth, and water power has brought in millions of dollars of foreign capital, and has given us a substantial interest in the peace and prosperity of the Dominion. The grain area west of Winnipeg began to attract American farmers as early as 1896, and the annual number of emigrants from the United States to Canada has rapidly increased from forty-four in that year to over two hundred thousand in 1912. Just what part they will play in the political development of the Dominion is not clear as yet; for so far, as a class, they have retained their American citizenship. The future certainly holds less possibility of bitterness than the past. As the American farmer learns more and



gets a broader outlook, he sees that a narrow and selfish policy usually recoils upon its advocates. The old dislike for our northern neighbor is giving away to the recognition of our common interests, and possibly, far in the future, the two countries may have a common destiny as equal members of a great world federation of English-speaking peoples.

**The Future.** Some of the questions that we have studied have passed the stage where they play an important part in our national life, but agriculture and its allied interests become increasingly important as our nation grows in numbers and as our industrial life becomes more complex. Although its problems become more difficult of solution, they demand a wise answer more imperatively than our past troubles have ever done. Because it affects every person in the land, "the high cost of living" is one of the most important questions of the day. A more economical agricultural system, more efficient and cheaper methods of transportation, a market free from restriction and unfair competition will combine to solve even this very difficult problem.

## CHAPTER XI

### THE MONEY QUESTION

At the present time the most vital question before the people of the United States is the problem of how to furnish a suitable food supply for our increasing millions. Next in importance to this question of food comes that of dealing wisely with the money supply of the country. In this twentieth century most of our financial transactions are not carried on with money at all, but by the use of that mysterious thing called "credit." This is much more convenient than money, for it allows a vastly greater volume of business to be carried on than would be the case if we were obliged to exchange metallic money every time we bought or sold anything. The importance of credit is shown by the fact that a large proportion of the business of the world is carried on with borrowed money. This makes possible economical production and handling of goods, for the larger the scale of production, the greater the economies that are possible here and there in its processes. While we owe a great deal to credit, this same institution is a great source of danger, for it is very timid, and, like a snail, is prone to withdraw into its shell at the approach of danger. Since coin, real or in anticipation, is the basis of credit, it is of the greatest importance that we keep the standard of our coinage absolutely safe. Though, as we shall see later, our present system is by no means perfect, it is the best that we have had in this country. Before we can study it intelligently, we must know something of its history.

**The Importance of this Problem.**

**Money in  
Colonial  
History.**

Throughout our colonial period one of the troubles affecting all the colonies was lack of sufficient money to carry on business well. For thirty years after 1652 Massachusetts Bay colony coined the famous pine tree shillings, which contained only 75 per cent of silver so that they would be sure not to stray from the colony, but the supply was



**PINE TREE SHILLING.**

never large enough to aid the trade of the colonial merchants. When trade with the Sugar Islands became important, Spanish silver came from the islands to the continental colonies, and a small supply of gold filtered in from foreign commerce. But there was never enough money of a standard value to make possible a healthy business life; this the colonists felt to be the fault of Great Britain, for they believed that if England had chosen, she could have given her colonists a sound currency. By the better classes, those "in trade," as they used to say, this was felt to be the most grievous of all the causes of hard feeling against the mother country. During the early part of the Revolution it used to be the fashion in England to refer to the trouble in America as caused by a few reckless "broken men," who had nothing to lose, and who enjoyed the notoriety of their position. Before the war was over Parliament realized its error.

**Money in  
Revolution-  
ary Days.**

Whenever a war begins, people who have good money, such as gold coin, are very likely to hide it, and this happened during the early days of the Revolution. Friend or foe was alike to be dreaded; taxgatherer or plunderer, the name did not matter. Because Congress did not succeed in calling this money out of its hiding places, paper money was issued, and because there was no guarantee behind

this paper, it began at once to decline in value. The fact that the French and English armies spent money lavishly did nothing to help matters, for this gold was promptly hidden with the former hoards in family strong boxes. When the war was over,

SAMUEL FORBES'S ACCOUNT AGAINST DAVID HOOD, 1779 TO 1782		
August 9	To 1/2 Hoger 8/	12
Sept. 6	To 1/2 Joseph's Houshiah Hooker	25
11	To answer your Order to Joseph Herman for 1/2	16
October 13	To paying Houshiah Hooker 250 dollars (equal to 1/2)	16
Decem. 19	To 300 dollars for 1/2 Mariner equal to 1/2	2
1780 April 25	To 500 dollars equal 1/2	2
May 18	To 1/2 of Fra. 8/	25
July 20	To 0.1. 23 1/2 Woodden Sherry	8
August 18	To 1 bush of Salt	8
Sept. 4	To Ball's settlement, as p. New Act	16
October 2	To 1.12. 6 dollars equal to 1.2. dollars	25
21	To a discount with Capt. Isaac Lawrence to the amount of 2.13. 8. 1/2 way it being for Land you bought of him	21
1781 Decem. 14	To 0.3. 13 1/2 From debt David for May place	5
1782 March 30	To paying your Order for 1/2 dollars worth of 1/2 to Joseph Parrish (the order was drawn by Hoger)	16
June 29	To 1/2 Sea (1/2) 1/2 13 1/2	16
July 23	To 1 bush Salt 1/2 1/2 2 1/2 Sugar 1/2	16
October 14	To 1 bush of 1/2 1/2 1/2 1/2 1/2	16

## THE DEPRECIATION OF CONTINENTAL CURRENCY.

Samuel Forbes's account against David Hood, from 1779 to 1782. What can you learn from it about the purchasing value of the paper money of the time?

money matters were little better off, for until there was a government strong enough to start a sound financial system and to keep up the quality of its issues, people would not part with their "hard money." The realization of this fact, especially after the hard experiences in Massachusetts and Rhode Island,

showed the people of the United States that they must sink their minor differences, for the financial uneasiness could not go on forever, and indeed it threatened to burst the weakened bonds of the existing confederation. The story of the drawing up of the Constitution of the United States shows how serious was the difficulty of harmonizing the differing elements, and how clearly the necessity of doing it was felt by all. Hence when the document was completed, Section 8 of Article I contained all that was needed to give Congress power to legislate at will in the direction of sound finance.

**Working  
out the  
System.** For the successful financial foundation of the United States we owe a debt of gratitude to Thomas Jefferson and Alexander Hamilton. Oddly enough, although these two great men hated each other savagely, in this matter at least they played into each other's hands. Mr. Jefferson had had in mind for years an ideal currency for the country, and had taken as the basis for his coinage the Spanish silver that was already so familiar to the people. These Spanish coins were the most common kind in circulation all through civilized America, and acted the part of small change. This Spanish system consisted of pieces of eight, with the subdivisions into four, two, and one. Pieces of eight really should be "pieces of eight royals" or "reals," as the Spanish word read. Our ancestors spelled it "ryalls," and seem to have pronounced it "rye-als," or perhaps like the word "rile." The most common coin in the colonies was the fourth part of the piece of eight, called a pistareen, or, in some places, two bits. This corresponded to our quarter. All these coins had been made in the West Indies, and were only about 70 per cent fine, so that they would not go to Europe. However, the outward cargo of the Yankee skipper was usually more valuable than his home lading, and the difference had to be brought home

in silver. The American colonists were so hard pressed for coins, and so accustomed to money that was not of standard fineness, that they readily became accustomed to the use of what was really a foreign coinage. We must remember that this action was forced on the colonies by the neglect of Great Britain to furnish a proper "medium of exchange." Jefferson proposed certain changes in this coinage; he wished a decimal system to be used in addition to the fractional system



THE ANCESTOR OF OUR QUARTER.

This particular pistareen has lost 15 per cent of its weight, and shows from the blackness of the silver the large per cent of base metal. The edges are irregular, either because the coin was not made perfectly in the first place, or more probably because the edges have been filed or clipped. Not until 1728 were milled coins made.

of the Spaniards, and he thought that for the sake of business credit the coins should be as fine as the metal would allow. But this system did not allow for the use of gold coins, such as would be needed in transactions involving large sums.

There are many things in the life of Alexander Hamilton that excite our astonishment; he was certainly the greatest of American financiers, and we owe it to him that the gloomy financial condition of the years before 1790 was changed so decidedly, that the credit of the United States rose quickly from its degraded position. Hamilton wished the gold and silver coins of the nation to be so related in weight and value that corresponding coins would have the same purchasing value; that is, that the metal in a dollar, whether of gold or of silver, should have the same market value. He studied the metal market of Europe to find the average price of gold and silver; he found that if a certain weight of gold would

**Hamilton's  
Work on the  
Coinage.**

buy a dollar's worth of anything, the amount of silver needed to buy that same object weighed about fifteen times as much as the gold, or, 371.25 ounces of fine silver would buy 24.75 ounces of fine gold. If the coinage system of the new country was to start on a sound basis, a gold or a silver dollar must be equally valuable; and to bring this about, the silver dollar must weigh about fifteen times as much as the gold. In theory this idea of Hamilton's was adopted, and his calculations have formed the basis of all our later coinage policy. The only changes that we have made have been due to the relative changes in the value of the metals.

**The Credit  
of the United  
States.**

But Mr. Hamilton did not stop with thinking out the relative weight of gold and silver coins. It was necessary for the financial health of the country that the credit of the nation be established. Some one must create it. A part of the assets of the new government consisted of about twenty-five million dollars in debts; of this amount about fourteen millions were owed abroad, eleven millions to Americans. Hamilton's plan was to change this worthless debt into United States bonds, paying a good rate of interest. He would lay a small duty on the importation or manufacture of certain goods, and would thus obtain money with which to run the government, and at the same time to pay interest on the bonds and to lay up money enough to meet the principal when due. Thus in one stroke the formerly worthless papers became worth their full value, and Hamilton's policy of simple honesty showed itself as decidedly the best in the end. We have always tried to follow this example.

**The United  
States Bank.**

Having now a good coinage and a sound credit, there was still something needed before the new nation could be said to be on a firm financial basis. The system was all very well as long as Hamilton could be at the

helm to guide the ship of state; but Hamilton had many enemies who were anxious to accomplish his downfall. Some of these were merely jealous of his achievements, but most of them were really suspicious that Hamilton was not honest, and having a vivid recollection of one kind of tyranny, they had no intention of submitting to the new kind of trouble that they thought

Abraham Van Guilder of Kingston	
By Cash in Silver	25 20 00
By U.S. bank bill N <sup>o</sup> 1003 for 50	30 00
By N <sup>o</sup> 379	20 00
Jacob Swenson of Kingston	
By N <sup>o</sup> 1003 Bank Bill N <sup>o</sup> 1003	30 00
For 100 Dollars	30 00
100 N <sup>o</sup> 160 for 100 Dollars	30 00
100 N <sup>o</sup> 210 for 50 Dollars	15 00
Total 75 00	
At the hand of Abraham Van Guilder	

#### EARLY LACK OF CONFIDENCE IN AMERICAN MONEY.

From the daybook of Samuel Forbes. In the summer of 1792 there was a mild panic, in the course of which public confidence fell somewhat. Jefferson remarks in one of his letters that in order to restore public credit, the newspapers had with one exception agreed not to make any mention of it in their columns!

they saw coming in his financial plans. Hamilton wished to have Congress create a United States Bank, an institution to take care of the funds of the United States and to act as agent for the government in all kinds of financial transactions. The securing of the charter for this bank was the motive for the greatest political fight of Hamilton's life. It is not the least interesting part of the story that Washington signed the bill creating the bank, not because he approved of it or because he



understood it, but because he had firm faith in Hamilton's financial genius, and believed him to be the only man who could save the country. The paper bills of this bank played an important part in the business life of the country.

**The  
Second  
United  
States  
Bank.** Though Jefferson disliked and distrusted Hamilton, he found himself, in later years, carrying out the policy of his great enemy, because experience had proved its wisdom. When the twenty years' charter of the bank expired in 1811, public opinion refused to renew it. People seemed to think that the bank was valuable only as an extraordinary institution in times of especial trouble, so political dislike and the old fear of loss of independence combined to defeat the renewal of the bank charter. After 1815, however, people began to feel differently about the need for a bank, for there were clouds in the sky that threatened a terrible storm. The miserable treaty of Ghent (1815) left many important questions untouched. The flood of goods imported from England threatened to undo American manufacturers. The dislocation of industry that followed the war had been severe, and the country had not yet accustomed itself to the new conditions. The western movement was for the first time an important political factor, opening up new possibilities that made sober men fear for the safety of the Union. Questions of public debt and private credit had to be reckoned with. All things considered, the financial crisis seemed to demand the renewal of the United States Bank, so in 1816 came the charter of the second bank. The panic of 1818 appeared to emphasize the need of such a steady influence in our national finances.

**The Career  
of the  
Second  
Bank.** In the main, the career of this bank was uneventful, but it had a very unfortunate beginning and a most unfortunate ending. The success of the bank

depended largely upon the personality of the men who directed it, and the first choice of leaders was, in this case, very unlucky. Unsuitable men working carelessly furnished the opportunity for serious trouble, and the bank was finally only saved from ruin by Nicholas Biddle, after heroic measures. The moral of this experience is that any financial institution is worse than useless unless the men at its head have the greatest possible intelligence and honesty. This ends the story of the first years of the bank.

"We, the people of the United States" have a very foolish habit of electing as President some military hero. This results from the fact that a candidate with a spectacular career is a good vote getter, and a political party that wants to get into power is quite likely to nominate a general of wide reputation just because he is practically sure of election. Of course it does not at all follow that such a man makes a good President; indeed, the very qualities that made him a successful general may interfere with his success as President. Andrew Jackson was a strange mixture of strength and weakness. He had a strong will, but was easily influenced. He had many of the self-reliant traits that come from contact with the wilderness, but he did not understand money matters and could not see the necessity for sound finances. He was a very hard worker, but much of his work was unavailing because he was a man of violent prejudices and could see no good in his political opponents, while all his friends he considered of excellent character. He was a man of transparent honesty, but he could not discern dishonesty in others. He had a wonderful amount of common sense, but he could not bear to acknowledge his own deficiencies, or to ask advice on points in which he was weak. He had plenty of good, old-fashioned grit, but he had an untrained mind. In short, he

**The  
Character  
of Andrew  
Jackson.**

might have made a good President in peaceful times, but he was entirely out of place in handling delicate matters that required, for a successful outcome, all the tact, knowledge of men and affairs, and all the training of the intellect that a human being can acquire.

**How Jackson regarded the Bank.** Unfortunately, during the last years of the life of the second bank, political feeling ran high, and as the management and supporters of the bank were opponents of the President, the whole affair appeared, in his estimation, to be a very bad institution, dishonestly run, and destined to make its managers the financial czars of the land. This feeling on the part of the President was not a pretended dislike, but an honest distrust. Hence Jackson began early in his term of office to lay his plans to defeat the renewal of the charter in 1836. One way to do this was to render the bank helpless and useless before the expiration of its charter; this he did by using the funds already in the bank without depositing further moneys, and by scattering the funds of the United States among smaller banks already in existence. So it came about that, by 1836, the United States Bank retained hardly any power.

**Disaster Threatens.** The trouble began over the deposits in the so-called state banks. The amount of the deposits was very large, extending into the millions, partly because the public debt of the nation was paid off, and partly on account of the tariff. Under the operation of the compromise tariff of 1833 the annual income of the United States should have declined as the rates went down, but as the volume of imports increased from time to time, the total income from tariff receipts remained large. If all the pet banks had been honestly and wisely run, there might have been less trouble, although the shock to business credit caused by the fight over the national bank was bound

to result in some disaster. Jackson naturally intrusted the money of the country to banks controlled by his political friends, and these men were not always either wise or honest; others were not sufficiently strong to withstand the temptation to use these funds in speculation, especially as much of the money deposited with them was in new gold coins, made under the coinage act of 1834. Sometimes the directors of such a bank kept in their own hands the specie deposited by the government, and issued in its stead paper money of their own printing. The temptation was to keep on issuing this paper money when there was neither metallic money nor credit to guarantee its value.

The best (or the worst) way to speculate was to invest money in public lands, which were selling at a very low price. Paper towns and cities grew up like magic; the craze to speculate in lands carried people off their feet, and the whole West, where a large part of the public money went, was absorbed in a feverish desire to make its fortune. So much of this paper money was printed that the popular belief in its value began to be shaken. Jackson was very much astonished to find that the people expected the government to receive this doubtful paper in payment for lands. Angry at such impudence, he suddenly issued (1836) the famous specie circular, which ordered that all the debts due to the government should be paid only in specie, *i.e.* gold or silver. This action was the immediate cause of the panic of 1837. People and banks all over the country found themselves obliged to pay the government in specie when it was impossible to find the coins anywhere. Swollen values shrank rapidly to a fair valuation, or, as too often happened, to nothing at all. The distress was terrible, but it taught the people the lesson that honesty and industry are needed for success; perhaps that lesson is well learned at any price.

**The Results of the Panic.** As we have already seen, this panic gave added impetus to the western movement. Thousands of ruined men planned to retrieve their misfortunes by taking up the virgin lands of the West; the "California and Oregon trail" became very popular in the early '40's, and before the seventh decade of our national life dawned, we owned a large Pacific coast. It seemed only a question of time when the frontier would disappear entirely. With the forward movement came an appreciation of the value of good money. In striking contrast with the financial folly of the Jackson administration in other matters, coinage bills had been passed in 1834 and 1837, regulating the relative weight of the gold and silver coins of the United States. Coins were to be nine tenths fine, silver dollars to weigh 412.5 grains, gold to weigh 25.8 grains. The coinage regulation is a matter of importance, for this proportion of weight and value was kept for nearly sixty-five years.

A problem closely related to the coinage of the United States had to do with the nation's supply of money. The expense and responsibility of caring for the working balance of the national funds were very great, and now that the United States Bank was no longer in existence, it was hard to decide what to do with the money. After many debates, followed by the defeat of an attempt to recharter the bank, Congress finally decided (1840) to use the "independent treasury system," which with some modification has been in use ever since. This phrase simply means a treasury independent in every sense of any bank, a treasury in which the funds of the government are hoarded, not used as they would be in any banking business. This system has the advantage of comparative safety, and lessens the risk of loss through dishonesty, but it has certain grave disadvantages that we shall consider later on.

In the twenty-year period before the Civil War several things happened that seriously affected our financial standing. There were wars in Europe and Asia that increased the demand for foodstuffs. Civil and economic troubles all over Europe sent us thousands of immigrants of the most desirable type, giving impulse to the development of agriculture and manufactures, and bringing us face to face with the great problems of city life. The discovery of gold in California gave a sudden impetus to the western movement, and added to our position among the nations by making us one of the great gold-producing peoples of the world. The money in use during this period of rapid growth—seventeen million people in 1840, thirty-one million in 1860—was quite different from ours. It was of two materials, paper and metallic substances. The metallic money was of two sorts: the small change coined in the United States, and the great quantities of foreign coins, most of which were badly worn and even mutilated; the remaining part of the metallic money consisted of the gold coins of the United States. Before 1854 there was very little silver of our own coinage in circulation, because the silver in the coin was really worth more than the value stamped on it, but after the coinage act of 1854, the foreign coins began to go out of use, American coins taking their proper place.

**American  
Money  
before 1861.**

The paper money consisted of bank bills issued by "state banks," those organized and run under state laws. At that time people did not realize that money should be issued only by the central government. Coins had formerly been issued by many private concerns, and these paper bills answered a certain use. They were not "legal tender." The person to whom they were offered in payment of a debt was not obliged to accept them. Had the government realized that in time these state bank bills would do great mischief, these banks would not have

been allowed such a privilege; for the time being, the bank bills were convenient, and the government winked at the practice of issuing them.

**Why State  
Banks were  
Dangerous.**

One of the most valuable things in a community is a good bank, always provided that the circumstances of the place demand it, and that its officers are honest and wise. There had been times when state banks had been needed and were better controlled, but by 1860 certain evils had crept into the system. While there were many state banks that were honestly run, the greater number of them were not. Many such banks had no existence, except in the minds of the swindlers who printed and issued the bills. There were so many opportunities for fraud, that, as a rule, the circulation of the state bank notes was confined to a narrow territory near the bank of issue. If one was obliged to take bills that he knew nothing about, he got rid of them as soon as he could, and in accordance with the working of Gresham's law, when a man found bills in circulation at a great distance from the bank of issue, he felt fairly sure that something was wrong, and paid them out promptly. Such a condition of things was due largely to an absence of any good system of state supervision of banks. Two states had such systems, but this fact helped matters but little. It was bad enough in the best of times, but when war came on, such a state of affairs simply could not exist, because if men could not be compelled to take state bank bills, when war came, they would refuse to receive any money but the best. Then business, more or less alarmed by the war, would be paralyzed by lack of enough sound money.

**Movement  
of Money  
in Time  
of War.**

When we speak of the movement of money, we mean that in response to certain influences, money seems to travel from one country to another, or from one part of the country to another section, in

a way that in time of war may mean disaster. For example, whenever business is brisk and men of enterprise are trying to borrow money to use as capital, money appears from all sorts of places. People who have hoarded small sums are willing to risk their savings in business. This was noticeable in France at the time of the building of the Suez Canal, when the peasants, even those who seemed the poorest, brought out something to invest in the stock of the canal. When business is for some reason unsettled, people become very cautious and refuse to lend their money. They think that they run less risk in keeping it, even though it yields them nothing. And when they put away their money in this way, they always save the best coins and spend the poorest.

In 1861 the best money was that which actually contained in itself its face value. The paper bills issued by the state banks were naturally worthless in themselves, relying for value on the solidity of the bank that issued them. This was often uncertain at the most prosperous times, but when the Civil War threatened, only the best of the banks were able to keep their notes in circulation, and then only over a limited area. The gold coins were naturally in great demand for hoarding purposes, and during the first months of the war they disappeared from circulation very rapidly. A great scarcity of money naturally followed; in fact, there was too little to supply the wants of the business world, and it became necessary for the government to come to the aid of the public. This it did by issuing paper money of its own.

The government began the finances of the war very badly. Owing largely to the mistaken policy of the secretary of the treasury, Mr. Chase, the banks refused, on December 28, 1861, to pay any more silver or gold on demand, but reserved the right to pay out anything that they pleased.

What is  
the Best  
Money?

The  
Greenbacks.



They claimed that they were doing this in self-defense, to save the supply of gold. Two months later, after much unpleasantness in high circles, a law was passed enabling Mr. Chase to issue paper money, or "notes" (greenbacks) to the face value of a hundred and fifty million dollars, but so much money was needed that in June an additional hundred and fifty millions was voted. Although Mr. Chase might have obtained money by selling bonds, he would not do so, and in January, 1863, a hundred millions more had to be added. All this four hundred millions was to be legal tender; that is, a creditor must take it in payment of a debt, or a storekeeper had to receive it from a man who wanted to buy goods, although its value might be very doubtful. Moreover, it was "inconvertible"; the holder could not exchange it at the treasury at will for hard money, as is the case now with most of our paper money. Naturally such paper money depreciated in value. This depreciation had serious effects on expenses of all sorts. It increased the cost of the war enormously, perhaps as much as 50 per cent. It fell hardest on wage earners, for the prices of goods in 1865 were more than twice as high as in 1860, while wages had increased only about three sevenths. We must find out now just why this paper money fell off in value so much and so rapidly.

**What is  
Money?**

Sometimes it is not easy to define the things with which we are most familiar; although we are familiar with money, it is not easy to say what it is aside from its materials and appearance. Money is a measure of value or a means of exchange; it is something we agree upon as a common standard, in terms of which we may state the value of everything else. If we choose, we might select anything for this purpose: tobacco, bullets, seashells, beaver skins, or corn. Each one of these has at some time in the history of the country been used as a means of exchange. Good

money must be something easily divisible into small amounts, and it must be as nearly indestructible as possible. There must be just enough of the material to answer the purpose, but not enough to cheapen the value of it. It must be pleasant to look at, and it must be recognized as good by as large a number of people as possible. It must be honest money, too; that is, a given piece of it must contain the value that it is supposed to have. Lastly, the material must be something that remains at about the same value for a long period of time. There is only one thing that answers all these requirements, and that is the metal gold. Silver ranks next to gold, though not as closely as it did fifty years ago. But there is something even better than gold or silver, when it can be used, and that is the ideal exchange of values we call credit.

The great objection to gold as money is its weight, **Credit**, and the consequent expense and risk of keeping it and transporting it. How much better it would be if men and cities and countries could buy goods from each other on a large scale, with an occasional balancing of accounts, exchanging whatever amounts might then be due. Such institutions we have in the "clearing houses" in large cities, by means of which the banks avoid the transfer of large amounts of coin at too frequent intervals. Credit works well in another way, for it enables men of good repute to do business on borrowed money. But this convenient substitute for money needs two things for its existence, human honesty and peace. At the first suspicion of dishonesty, a man loses his ability to borrow, and is perhaps forced to repay what has been loaned him. At the first suspicion of war between nations credit transactions must stop, and men in one country who want to buy goods in another must send the cash with the order if they wish to do business. Under these circumstances the only kind of money that will be accepted is gold.

**Disadvan-  
tages of Im-  
portation.**

As late as 1860 the United States was largely a farming community, and a very large share of the manufactured goods used came from abroad. Of course we did not send over cash to pay for all this, but exported large quantities of foodstuffs, for which Europe had a constantly increasing demand, and if there was a balance due Europe, we paid this in coin. For many reasons, nearly all the importing business of the nation was done through the city of New York, the recognized commercial center of the country. When the Civil War broke out, there was a reasonable doubt in the minds of European merchants as to the outcome, although it was commonly believed that the South would win, so largely had the importance of cotton been overestimated. Hence they demanded payment in gold for goods sent to America. Now it happened that the United States had an unusually large supply of gold coins in circulation in 1861, and might have met all bills without trouble, but the attitude of the government was a problem, and people could not understand the sudden and heavy exportation of gold coin. It is always difficult to understand what goes on in the world of finance until later events have explained the causes. When gold was the most important kind of money, naturally the value of all other things was expressed in terms of gold, and as gold became more desirable and more difficult to obtain, it rose in price. For example, if it took one hundred and ten dollars in paper to buy one hundred dollars in gold, we could explain this fact in either one of two ways by saying that gold was at a premium of 10 per cent, or paper had depreciated one eleventh.

**The  
Premium  
on Gold.**

For the present it is more convenient for us to look at this change in values from the gold standpoint. After December 28, 1861, it was, of course, hard for the New York importers to get gold coin. They must have

it, for without it they could not do business, so they had to get it in some other way than through the banks. This means that they would have to buy it of any one who would sell, as though they were buying meat or bread, paying for it in paper, the price paid indicating either the fall in the value of the greenbacks, or the rise in the value of the gold coin. In the case of gold, the difference between the price paid and the face value was the premium. This extra cost to the importer was a matter of a good deal of expense, but if he had time, he managed to shift the burden of it by adding to the ordinary selling price enough to cover this extra expense. The retailer in turn advanced his prices in order to cover this increase and other possible financial risks, so that all this resulted in an increase in price to the last buyer (the consumer) quite a good deal larger than the premium on gold had been. So the retail price of all commodities depended on the price of gold in New York. If gold went up a step, every retailer in the country advanced the price of all imported goods, while the price of domestic goods advanced in sympathy. What people were thinking about was not so much the value of the goods as the value of the gold that paid for them. So the whole country watched with foreboding the gradual rise in the value of gold in New York. And thereby hangs a tale.

It is natural that wherever there is a demand for a commodity, men will get into the habit of dealing in it. We do not always stop to think that gold is not only money, but that it is bought and sold just like anything else. The importers were too busy to go out and gather the gold coin wherever it could be found, so a number of men who dealt in foreign coin got into the business of buying up gold and selling it in quantities to the merchants. At first these men were few in number and inconspicuous, but the premium on gold went up

**The Gold  
Market.**

rapidly during the war; in July, 1864, gold stood at 285, *i.e.* it took two hundred and eighty-five dollars in paper to buy one hundred dollars in gold coin, and a greenback was worth thirty-five cents. About a year later the price had fallen to 130, which made a greenback worth ten thirteenths of a dollar, or nearly seventy-seven cents. This may seem bad, but in the South at the same time a paper dollar of their own issue was worth one cent. Under these circumstances the dealers in gold coin hired a disused restaurant and made it the scene of their trading. This was soon outgrown, and late in 1862 they fitted up a large room especially for their purpose; this came in time to be known as the "Gold Room."

**The Gold Room.** This was the one place where the financial pulse of the nation could be felt, for every step in the relative change in value of gold and silver was recorded here. Not only did merchants and bankers buy their gold here, but speculators scrambled and fought with the wildness peculiar to their kind, trying to make money by buying cheap and selling high. Thus the Gold Room played a double rôle; as a good place to buy money it was a great convenience, but in so far as it encouraged gambling, it formed a danger to the community hardly less than the war itself. If the finances of the country had been wisely guided during the war, the later miseries might all have been avoided, but with a great mass of paper money of poor quality, and a strong disinclination in public opinion to replace it with good money, it was no wonder that credit did not return. Hence the necessity for the Gold Room was even greater after the war, for legitimate business was reviving, and there was a greater and greater call for capital. The worst speculative use of the Gold Room seems to have originated in the brain of Jay Gould, who had already made himself famous in connection with certain railroad enterprises.

Gould and his business associate, James Fisk, controlled the Erie Railroad. The story of their treatment of this problem will be told later, but at present it is enough to say that they were anxious to get all the freight business that they could, and Gould saw his chance in the grain-carrying trade. Now prices were such that American farmers could not export their grain along the lines of the Erie Railroad to New York, and from thence to Europe, unless the price of gold should go up from 130 to 150 or higher; the higher the price of gold went, the more anxious the American farmer would be to export, and the richer Gould and Fisk would become. To send gold up like this, in the absence of any natural cause, called for "manipulation of the market"; some one must get control of the gold market, and then simply raise the price. No one could foresee what would happen if gold should be thus cornered. From a comparatively simple plan to help the railroad business, this idea became a complex gambling scheme of the worst sort. This movement could be carried on only by operating through many agents, and its success depended upon the ability of the operators to call out and buy up all the gold. If any large owner of gold refused to sell, there was always the danger that a flood of gold might be let loose in the market, an amount far too large for the conspirators to buy up. In such a case the price would fall suddenly, and the gamblers would be compelled to lose enormously, even if they met the demands upon them.

**Why raise  
the Price  
of Gold?**

This one influence feared by the gamblers was the government, which had in its treasury about one hundred millions in gold; if the government should suddenly begin to pay out gold, ruin would come to Gould and his business associates because it would be impossible to buy up such an amount and keep up the price. It became part of

**Gould's  
Relations  
with Grant.**

Gould's plan, then, to influence Grant so that the government should keep its money locked up. This he could do through a New York business man, A. R. Corbin, who had married a sister of the President, and whose home was frequently visited by the Grants. General Grant was not a good judge of character, but if he liked a man, he trusted him entirely and would believe nothing evil of him. In these private conversations with Grant, Gould made a good impression; he talked a great deal about the necessity of prosperity at such a time, and how important the prosperity of the farming class was. He tried then to show that all this depended on maintaining the high price of gold, or even on raising it higher. The point of all this, of course, was to prevent the government from paying out gold, and thus spoiling Gould's plans. At first, Gould was successful, for like some other military presidents that we have had, Grant did not understand finances, but in this case he distrusted his own judgment. He let things go on as they were for a while, leaving Gould in some uncertainty as to what policy the government would follow.

**The Development  
of the Plot.**

Meanwhile Gould was buying up all the gold that he could, but he had to purchase enormous amounts before he dared to advance the price. In the early part of September, 1869, gold stood at 132. Gould's agents had managed affairs so well that they had ensnared certain government officials, and had induced them to speculate in the gold market. By the middle of the month it became known that Gould and Fisk were trying to corner gold coin. And then the scramble began. Legitimate business was lost sight of in the mad speculation that came to its climax on Friday, September 24, "Black Friday," the most disastrous day our business world has yet seen. On September 20 gold had risen to a fraction over 137, and with this rise the specu-

lators made a false step. The tremendous burden that they were carrying had made them nervous; they had bought millions in gold, which was safe enough if they could sell it for more than they had paid for it, but if the market broke and they had to sell for less than they paid, their losses would be enormous. Many of their sales were for future delivery, and if they should be forced to meet these demands, they would be ruined. The greater their purchases, the greater the risk they ran, and even Gould, accustomed as he was to speculating, became frightened. He got Corbin to write to Grant, urging on him the supreme importance of keeping the government's gold supply intact. Though Grant did not understand this letter (received September 19) he was sure that something was wrong, and he did not want to be involved in any sort of financial crookedness. So he had Mrs. Grant write to Mrs. Corbin, telling her that it was imperative that Corbin should get out of the gold market and sever all relations with the Gould interests. Although this cost Corbin a pretty penny, he was so impressed with the gravity of the situation that he did cut loose entirely from speculation in gold (September 23). Gould took warning at this, and continued quietly to sell all that he could. Fisk, however, plunged even more recklessly. When the close of business came on Thursday, gold had risen to 144.

Thursday night and early Friday morning the **Black** excitement became intense. Tremendous pressure **Friday.** was brought to bear on the secretary of the treasury from all quarters, urging him to pay out gold to save the business world from ruin. The speculators calculated that business men must buy gold, no matter what it cost them, because they could do business only with gold. When the price went so high that they could not buy it, then they must fail. With the price at 144 and still rising, thousands



of men were near to bankruptcy. Yet, without the sanction of the President, the secretary of the treasury could not change the policy of the government and pay out gold. When the market opened on Friday, September 24, Fisk's party assumed control. They rushed the price up to 150 almost at once. The uproar was frightful; increase a thousand times the excitement of a pennant baseball game, shut it up in a small hall, and you may imagine the scene of Friday morning. By noon the price had risen to 160, and a few moments after twelve it reached 162. Just then came word that after a long consultation Grant and his secretary had determined to relieve the situation by selling gold, the amount of the first day's sales to be four millions. This indication of a change in policy by the government brought people to their senses, and the price of gold dropped almost at once from 162 to 135, only a little higher than it had been two months before. The reaction was terrible; the blind rage of mob violence seized the throng of brokers and on-lookers, and Gould and Fisk, who were known to be the operators of the scheme, had to hide for their lives.

**The Results of Black Friday.** These were two, one moral, the other financial. Such a time presents peculiar temptations to get rich and to cover up financial sins; the great number of dishonest transactions at that time shows the disastrous effects of such occurrences on public morals. The financial effect of this day's work was the great number of business failures that resulted. The whole business life of the country had been at a standstill while the last scenes of the conspiracy were being enacted. This in itself represented a great loss; moreover, these merchants were obliged to get gold or else to suspend business. It was not a question of a large or a small sum; every man who owed money was in an equally difficult situation. If no gold could be had, failures must follow in

many cases. Friday morning, when the price was up at 160, the failures were to be counted by thousands, and even after the day was over bankruptcies continued. So involved are the relations of the business world that one bad failure often carries others with it; even in good times; but when panic is in the air, the result is doubly disastrous.

Immediately after the war we had a large supply of very poor money. There was no gold in circulation, and almost no silver, and the bulk of the available money consisted of paper issues. The fractional money (less than a dollar) consisted of little bills known as "shin plasters," very bulky to carry about or take care of. The larger bills were, when issued, supposed to be only temporary affairs, and the government was bound to retire them as soon as possible. But with all the difficult questions surrounding the premium on gold, it was not so easy to do this as it was to say it. Public opinion was not clear in the matter. Some said the retiring of the greenbacks would be followed by universal bankruptcy, whatever that means, while others said that credit would never return or business become normal again until a sane and sensible financial system should be inaugurated. To do this required great care, for any financial system is a good deal like a child's card house, that easily collapses when struck by a very slight puff of wind. The events of September, 1869, showed the necessity of a thorough financial housecleaning, and Congress was occupied with this business after 1870 for nearly three years. Many changes might be suggested, but certainly only those should be adopted that were sensible, and which appealed to every one as wise. One such alteration in the system was to cut the silver dollar out of the list of coins that might be issued by the government. For more than a generation no silver dollars

Finances  
after the  
War.

had been seen, for the price of silver had been so high that if any had appeared, they would immediately have been seized and melted down for the sake of the metal in them. In 1873 there were probably no men in business who had ever taken in such a coin. The "demonetization" of the silver dollar did not need to be effected secretly, nor did any one at the time think of it in that way, since the matter was before Congress for nearly three years, and was discussed in the public press for at least two years.

The Crime of '73. The bill was passed early in 1873, but later in the year events followed fast that put an entirely different complexion on the matter. One of these was the sale by the German government of large amounts of silver. Another was a panic, one of the periods of depression that seem to have come to us once in every twenty years. This was caused largely by public and private extravagance of an extraordinary nature, and as was natural in such a case business suffered badly. The panic happened to hit especially hard a group of men who were interested in the mining of silver, for although silver had formerly been so high that the silver in a silver dollar had been worth a few cents more than a dollar, the discovery of new sources of supply threatened to upset the price of this metal in the general market. The silver producers, being human, tried to find some reason for their distress other than their own thoughtless action in producing more silver than the market could absorb. Perceiving that the government might be a good customer if it were coining silver dollars, the silver men immediately charged the leaders of the Republican party with having conspired secretly to cut out the coining of dollars purely out of spite against certain western states whose chief product was silver. The charge of secrecy was absurd, and the whole accusation is very plainly a case of trying to shed responsibility; but

it must be remembered that in the early '70's people had not forgotten that the republican party had been somewhat to blame in the matter of the gold troubles, and in certain other scandals in high financial circles. Moreover, in time of panic people are very busy trying to find a scapegoat, and are not very particular about reason in such matters. Hence the phrase "crime of '73" was fastened upon a very innocent and unoffending law. This discussion launched the country on a financial controversy that lasted for a quarter of a century, and brought on us great commercial and industrial losses.

The real fact at the bottom of the trouble is one often found in history. It is easy for a group of men in some small section of the country to get an exaggerated idea of their own importance to the country at large, especially if their part of the country produces only one thing. This was the case in the South, where the only marketable crop throughout a large section was cotton. Because the cotton producers had not the broad knowledge of affairs that comes from travel and education, they really thought that the prosperity of the nation depended on cotton, and when some one invented the expression "Cotton is King," they were more sure than ever of their supreme importance. Hence in 1861 many in the South thought that the northerners were by no means in earnest, and that the North would never dare to try to coerce the South. If we assume that the silver men were sincere in their statements and demands, it is plain that they fell into the same error. Because they thought, talked, bought, and sold silver and knew little of other things, they thought that the sun of the nation rose and set with the prosperity in the silver market. The real fact is that our civilization is like a huge complicated mechanism; its prosperity does not depend entirely on any one element, but on all

**The Flaw  
in the  
Position  
of the Silver  
Men.**

the elements of which it is composed. The only element that is in any sense essential is agriculture, *i.e.* food production, and that is not sectional in its nature, but universal.

**The Danger of the Situation.** We must keep in mind that after the Civil War the country had a very poor monetary system; this is a fact acknowledged by the leaders of the time.

A few men realized the dangerous situation of the country, and believed that prosperity depended on a quick return to a sound money basis. It is especially necessary at such a time to do nothing to frighten the financial world, and to avoid extremes; that is, not to issue too much money, yet to see to it that there is enough in circulation to keep business in a healthy condition. This requires almost superhuman wisdom. In the period immediately after 1873 the silver men had not had time to put their demands into definite shape, but if in order to raise the market value of silver, they should demand the coinage of more money than the country needed, that would cause the worst kind of trouble, for with the cheapening of money people would begin to take coins at the value of the metal in them, not at the value stamped on them. Then we should have a depreciated metallic currency, something far worse than a depreciated paper system.

**The Fight for Good Money.** Two men are especially connected with this contest for the preservation of credit, Hugh McCulloch and John Sherman. The former did his best to retire the greenbacks, but he was able to accomplish only a little of his great purpose. Sherman, however, had better success. He wanted to get the money of the country in such shape that a dollar, no matter of what material, would buy a dollar's worth of goods, so that paper and gold would be equally good as mediums of exchange. The scale by which one could judge of their relative value was the premium on gold. Sherman

wanted to restore public credit to such a point that this premium would slowly disappear, and he felt that only when a dollar in gold was worth one hundred cents in paper would money be back on a firm basis. To secure this, he succeeded in getting a bill through Congress (1875) known as the Specie Resumption Act, which stated that on January 1, 1879, the government would begin to pay out gold, silver, or paper indifferently. It was certain that if the government took the lead, business would follow. The law once passed, the battle was only just begun, for the following Congress was hostile, and it was necessary to get the treasury into such a condition that it would be able to pay, and to make people believe that it would pay. The story of John Sherman's struggle reads like a romance; he fought and won as great a victory as ever general on battlefield could boast of. As a result of his planning, the premium on gold did slowly subside, until on the 17th of December, 1878, it disappeared, and the Gold Room closed its doors. When the first day of January came, very little gold was drawn, although the clerks had plenty on the counters all ready to pay out. If the credit of the government was such that paper and gold were equally good, the creditors of the government preferred to accept some form of paper money rather than to assume the risk and expense of transporting gold coin.

But Sherman had a hard fight to get enough in- **The**  
fluence behind him to insure success. **Price.** The silver men  
formed a powerful clique, and a very impatient lot of men they  
were, for the price of silver was very unsatisfactory, and they  
were clamoring for aid from the government. Sherman was  
obliged to give silent consent to the bill passed in 1878 known  
as the Bland-Allison Act; this law obliged the government  
to buy every month not less than two million or more than four  
million dollars' worth of silver, to be coined into silver dollars

at the legal ratio of sixteen to one; that is, a silver dollar should weigh sixteen times as much as a gold dollar, irrespective of the fact that the actual market ratio of the metals was then about eighteen to one. After five years Congress allowed the secretary of the treasury to issue paper bills, "silver certificates," in place of the "cartwheels," which were so heavy and of such uncertain value that people preferred paper. The wisdom of the Bland-Allison Act seems very doubtful to us now; it was a double mistake, for it tried in the wrong way to help a situation that was persistently misinterpreted. History shows that we pay very heavily for blunders, even more heavily sometimes than for actual sins.

**The Sherman Act.** Unfortunately for the country, the silver men were still in trouble. The relief afforded them by the Bland-Allison Act lasted only a short time, and then they were in the same straits as before, but again they were able to obtain their wish. In 1891 was passed the Sherman Silver Purchase Act, which altered the provisions of the former law. The government was to buy each month not less than two or more than four and one half million ounces of silver at the market price, and after a certain part of this had been made into silver dollars, the rest was to be stored in the vaults of the treasury, and the secretary was to issue treasury notes in its place. This law, though it remained in existence only three years, was the shock that brought on the avalanche of 1893. Many troubles united to produce this panic, but this law was the one thing that seemed to bring the difficulty to a head. The act did not help the silver men by creating an artificial demand for the metal, but on the contrary the price of silver fell off more rapidly than ever, and the treasury officials had the mortification of reckoning up how much they were losing on the silver bullion every day they kept it.

One of the proofs of the serious weakness of the position of the silver men lies in the fact that the hardest blow they had to bear, and possibly one of the chief causes of the panic, came from the opposite side of the world, from India. For nearly two centuries the English people have been trying to conquer and occupy India. Aside from the tenacious courage of John Bull, the thing that has made success possible was the fact that India was occupied by a diverse folk, differing in tongue and religion, and so hostile to each other as to hinder them from presenting a solid front to the English invader. One result of the British occupation of India has been the stopping of the wars that formerly waged continually between the native kings; these wars kept the population down and prevented any real progress in civilization.

**The Cause  
of the  
Trouble in  
India.**

Since the British influence has been supreme, certain misfortunes have come upon the land that have made the administration of its government very difficult. The whole trouble in India seems to be caused by the overpopulation of the country. This has intensified the poverty-stricken conditions there, so that a large part of the country is always on the verge of famine. Taxation must be very light, and the expenses of the administration must be very large. The situation was complicated by certain religious observances, which produced such unsanitary conditions that almost every year there was an outbreak of Asiatic cholera or the bubonic plague. It was almost impossible, too, to combat the disasters caused by religious ceremonies, without causing an insurrection. In an overpopulated country a failure of the rains means widespread famine, and this provides opportunity for the spread of pestilence. There is a tendency among all eastern people to hoard money and valuables for the benefit of their children. This idea is



strong in Islam, and many of the people of India regard it as a religious duty to add something to the family hoard, even though the sum be small. In countries where most of the people are desperately poor, there is need for a large supply of silver coins of very small value. In accordance with Gresham's law, the people will seize upon the bright new coins, fresh from the mint, for hoarding purposes.

So it happened that although the India mint worked overtime, the coinage of the country was very deficient, and of a very poor quality, consisting mainly of worn and mutilated coins. It seemed possible that if the government should stop pouring out this flood of small coin, and should provide other coins of larger denomination and better material, it might indirectly help to break up this hoarding habit. Hence in June, 1893, the government of British India changed from a silver basis to a gold basis. This means that while they still used some silver coins, the standard was a gold coin of larger value, that was issued in more restricted quantities than the silver coin which had previously been the standard.

This sounds like a wise plan, because it is only by indirect means that one can get around the religious prejudices of a poverty-stricken people. However, it is certainly true that the silver market of the world was deprived of one of its best customers, and that silver received such a shock that the price went down nearly twenty-one cents per ounce within a period of two weeks. The silver in an American silver dollar was worth about sixteen cents less than it had been. This would make no difference if the people still had sufficient courage to accept the coin as being worth a dollar. It was nevertheless a very risky business. Although a silver dollar worth only fifty-three cents is fiat money, that is, money merely because the government says it shall be, it is really only a little

better than paper money. As a matter of fact, it is also very expensive fiat money, because the paper money costs very little so far as material is concerned, while silver bullion is still expensive. Paper money has the guarantee of the government behind it, while silver money has no guarantee, expressed or implied. Herein lay a serious danger to the whole industrial world.

In the discussion of the silver question we find a case where our representative system did not work out as it should. The most earnest advocates of a liberal silver policy were from certain western states that were very large in area, but had a very small population. It was even doubtful whether some of them really had enough people to entitle them to statehood, and it was charged that their admission had been brought about by political graft. They had a very small representation in the lower house, of course, but they had just as full a representation in the Senate as did the smaller but far more populous states in the eastern part of the country. So as far as actual control of the policies of the nation was concerned, half a dozen of these small states had influence out of proportion to their real importance to the Union. Unfortunately this undeserved influence was exerted in demands that they supposed would benefit their position greatly, but which proved to be founded on an illogical basis; and the states plunged the country into a period of uncertainty that was almost as bad as actual panic so far as its effects on business were concerned. There was also a political influence behind the movement, as well as the more or less selfish demands of the men interested in the development of the silver mines. Before going over in detail the demands of the silver men, we must review briefly the circumstances that made it possible for such a curious piece of bad reasoning to deceive so many people.

What did  
the People  
Want?

**Why People  
wanted  
Free Silver.** Financial changes are difficult to understand, even when the events that we are studying are far enough in the past to enable us to get the perspective and to give the right proportion to things, but when such events are going on in our own time, it is almost impossible to get an unbiased view of them. We must not blame men too much because they do not get a clear idea of the financial troubles of their own time. In the history of our country there have not been more than a half-dozen men who could understand such things. When the presidential election of 1896 approached, there were many events that confused men's minds. There was the panic of 1893, the causes of which were far from clear; the same year had seen financial difficulties in certain foreign countries, as well as in the United States, and the question of the interrelation of these events was yet to be answered. Certain foreign nations had made changes in their financial systems, and men did not understand what effects these might have. In our own land business did not pick up after the panic as it should have done; credit was still uncertain, the finances of the government were in very bad shape, and the future of the nation looked dark. There was strife of a new sort among and within political parties, and it was very easy to use as campaign material the uncertainties of the financial condition. It was very easy to charge one's political opponents with having brought about all the political ills that afflicted the land, and many were the absurd arguments brought forward to prove that these troubles were all due to the other party. The most absurd of all these arguments, and the most dangerous because it sounded so plausible, was that for free silver.

**The  
Demand  
of the  
Silver Men.** "The free and unlimited coinage of silver at the legal ratio of sixteen to one" means that there should be no limit to the amount of money coined

by the national government, but that every man who had any silver could bring it to the mint and have it coined into dollars, subject to a small charge by the government for doing the work. The claim was made that the miseries of the business world were caused by too little money, and this increased supply would keep a proper balance between the supply of coin and the demand for it. How this could be it is very hard to see. The suggestions of the silver men, if carried out, would certainly have doubled the amount of money in the country, and the existing supply would have its value cut in half; people would cease to accept coins except at their intrinsic value, and silver dollars would be worth in purchasing value not much more than fifty cents. At the present time foreign silver coins pass in the United States at their metallic value; Mexican dollars, for instance, are worth forty-eight cents. Such a change in coinage would have attacked the very foundations of business credit, and if these were seriously damaged, no one can tell what disasters might have followed. The advocates of free silver were fortunate in getting a champion of their ideas who was in many ways an ideal politician. Mr. Bryan had a magnetic personality, a fine voice, and a good delivery, and stumped the country vigorously as presidential candidate in 1896. It was probably the most dramatic of recent presidential contests, and if Bryan and his backers had been able to offer arguments that had better logic in them, they would probably have won, for they had a great opportunity. Many of his party, known as Gold Democrats or "gold bugs," voted with the Republicans, and as this wing of the Democratic party profited by the vast influence of Mr. Cleveland, the schism in the party was fatal to success. Out of the largest vote ever cast, amounting to over thirteen and one half millions, McKinley won by six hundred thousand votes. That election sounded the knell

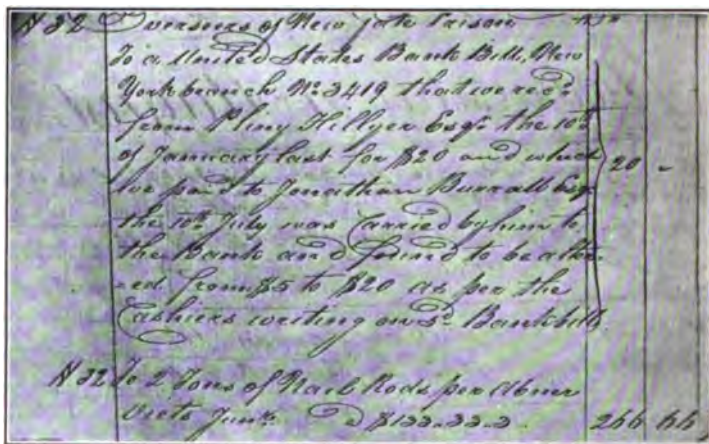
of the silver party, for when Bryan attempted, against the wish of the leaders of his party, to gain the presidency in 1900 by the same methods, he received a decided setback. Soon after Congress voted to make gold the only standard of value, instead of gold and silver. This removed the uncertainty as to relative values, and ended the "free silver" question.

**The Sequel.** It is an axiom of business life that the larger the amount of money in a business, the greater the risk run and the greater the care needed in handling such an enterprise. The close of the nineteenth century saw the United States entering upon a new period of its existence, in which the expansion of manufactures and agriculture were so great as to be almost beyond belief. After the Civil War we began to take our place as a world power in a political sense; the defeat that we administered to Spain in 1898 settled our position. After the Spanish War we took a leading place in the world of industry and commerce. But with all this prosperity along so many lines, we still suffered from certain troubles in our financial system. The great trouble with our system is its inelasticity. It is difficult to arrange matters so that there shall be in circulation at any one time just enough money to do the business of the country, and then, according to our need, to expand or contract the supply at will. One of the causes of panics is undoubtedly the fear in the public mind that firms may not be able to meet their obligations when due, and that they may not be able to borrow money at times when lack of it means bankruptcy for a sound firm. The banks are powerless to meet such difficulties, because they must be so cautious, and because they are so carefully supervised, but especially because they are themselves uncertain whether they can get money when it is badly needed. To understand this situation thoroughly, we must consider briefly the history of banks in the United States.

We have so far had three kinds of banks, the **American** United States banks, state banks, and national **Banks**. The United States banks were only two in number, each lasting twenty years, the first one from 1791 to 1811, the second from 1816 to 1836. These institutions were begun at times when the finances of the nation were in very bad condition, and when it was agreed that extraordinary measures were justified. In better times, the banks took care of the money of the country, a very important service when we think of the great responsibility of caring for the treasure of the nation. Under such a system all the treasure was not withdrawn from circulation, but a part of it was loaned out in the regular process of banking. Both of the United States banks were very satisfactory. Hamilton, the greatest financial genius of our nation, was the originator of the United States Bank, and Jackson, our greatest financial blunderer, killed the idea and brought the nation to the panic of 1837 with his ill-timed attempts to stop a movement that he had himself started. The United States banks had issued notes, the first paper money seen on this continent that had elements of positive strength. These notes were highly thought of and much in demand among merchants, but men do not easily get over such an experience as they had with the continental currency, so we find that they formed the habit of keeping track of all the paper passing through their hands by noting the numbers of the bills.

After the refusal of Congress to renew the charter of the second United States Bank, the independent treasury system was adopted, providing that the government should take care of its own money in its own vaults. This system entails a vast expense in procuring safe places of storage and in employing proper persons to care for the money. Most business men take account of stock and make balance sheets occasionally, perhaps

once a year, but Uncle Sam balances his accounts every night at the close of business, a wonderful thing when we stop to think that his expenses amount at present to several millions a day, with proportionate receipts. The great fault of the independent treasury system is that it keeps out of use a very large part of



#### THE VALUE OF CAUTION.

With caution born of their experiences with continental currency, merchants were careful to record the numbers of the notes of the United States Bank, as they passed through their hands. This entry in the daybook of Samuel Forbes (about 1800) shows the value of the custom. Nail rods were sold not only to the farmers, but to the prisons, where the making of nails was thought suitable work for those under punishment.

our money; unfortunately there is at present no easy and sure way of turning this money back into business channels as quickly as it may be needed.

**The State Banks.** The state banks are organized and controlled under state laws. On account of the great desirability of having banking facilities in rural communities, states have in the past been very lax in the wording of their laws, so that fraudulent banking houses have found it easy to establish themselves and to do business. The expenses attending the

inspection of banks prevented the state governments from keeping as sharp an eye as was necessary on local banks, and such banks as wished to be dishonest found it easy to issue paper money without reference to their resources and their ability to redeem the notes. In the period before the Civil War such banks became a very serious danger to the country. The paper money they issued was not legal tender; no one was obliged to accept it in payment of a debt if he did not wish to. There was an immense mass of this money in existence, and no one could tell much about the value of it except of the bills that were issued by near-by banks. Some of the stronger banks, and those whose purpose was entirely honest, made a determined effort to crowd out the notes of the fraudulent institutions, and they were to some degree successful. Two states, Massachusetts and Louisiana, developed very good systems of state bank laws, but even so, in 1860, there were more than ten thousand kinds of such bills in circulation, and the value of most of these must have been doubtful. This was bad enough at any time, but when the war came, the government saw that it had made a great mistake in winking at the practice of issuing such bills. The government itself had to resort to greenbacks, and found that in the popular mind the prejudice against paper money extended from the bad state bank bills to the new United States bills. The greenbacks were at first looked upon as a temporary means of carrying on business, and so were made "irredeemable"; that is, the government did not guarantee, as it does in the case of our modern paper money, to replace them with gold or silver on demand. People questioned the ability and honesty of the parent bank to redeem state bank bills at their face value; in the case of the greenbacks, they questioned the integrity of the government. Doubts as to the solidity of the government's securities naturally arose, and the government was in a quandary.



It wanted to obtain more money by selling bonds, yet the bonds were hard to dispose of, so that it was obliged to keep on issuing the greenbacks. This was a vicious circle indeed.

**The National Banks.** To dispose of all of these troubles at one stroke was a feat of statesmanship, the purpose of which was to get rid of the old state banks bills entirely, and at the same time to bolster up the price of government bonds by providing a market for them. The first step in this process came with the passage in 1863 of the National Bank Act, providing for the establishment and control of banks by the United States government. This law is of great importance, for with some modifications it is still in force, and is the basis of our system of national banks. It provided for the establishment of national banks that should buy from the government bonds to the value of a certain proportion of their capital, the bonds to remain in the custody of the treasury. The government then gave to the banks engraved notes (national bank notes) to the value of 90 per cent of the bonded value. The bank could pay these notes out as it pleased, and as the notes were nearly full legal tender and their value was guaranteed by the bonds, they would pass at their full face value. In practice, the government found that the state banks were very slow to take advantage of this act of 1863, and so, early in 1865, a supplementary act was passed, levying a tax of 10 per cent on the circulation of all other bank notes. This, of course, injured the state banks greatly, for most of them were entirely unable to pay such an enormous tax. It was undoubtedly a hardship for the many sound banks, but when we consider that out of more than ten thousand banks, only a few hundred were good, the case seems much like that of a person who has an acute attack of appendicitis. Heroic measures will save his life, and the surgeons perform an operation rather than take the chances of subduing the trouble

by milder measures. The tax was justified only as a war measure. It had the effect of putting national banks on a far higher plane than the state banks, whose paper was entirely withdrawn, so that at present there is no paper money in circulation other than that engraved by the government.

The National Bank Act has been modified since **Needed** 1865, so that the minimum capital is now twenty-five **Changes.** thousand dollars, while the government allows the deposit of other than its own bonds as security for the value of the notes issued by the banks. A higher per cent of issue is also allowed. The inspection maintained by the government is so close that the mere existence of a national bank is a guarantee of its solidity, and one who wishes his money to be perfectly secure puts it into such a bank. In June, 1912, the seven thousand three hundred and seventy-two national banks in the country had deposits of nearly six billions. Of course if one wants interest, he places it in some other kind of bank, but in such a case he has to encounter risks that he does not run in the national bank. At present we have a safe and convenient system of national banks, so arranged that any place large enough to have much business can have banking facilities, but the primary objection still remains, that a large part of the available capital of the nation is still locked up in the vaults of the treasury, where it is not easily got at in time of emergency, and there is no system by which panics and "runs on the bank" can be prevented by government intervention.

Many plans have been proposed to remedy this difficulty; some would like to see a third United States bank; others want a large number of subtreasuries planted at short intervals all over the country, able to lend money for a short time on good security. The mere fact that such places exist would prevent foolish alarm in the financial world, for all would know that any

honest man or honestly managed bank would be able to get temporary backing in time of danger, and so the number of bankruptcies would diminish wonderfully. We shall never get entirely rid of the lazy, the incompetent, and the dishonest, but it is possible to crowd out such people by refusing them aid and so forcing them to withdraw from competition with honest men. Since so large a part of our business is done on credit, credit ought to have a fair chance to expand; the greatest single basis of credit in the world is the money held by the government of the United States. If this could only be allowed to serve in some way as a foundation for business credit and thus free our leaders from eternal worry over the possibility of coming changes, our progress in every way would be the greatest the world has yet seen.

**The Future.** Our prospects are now better than they have ever been. There is no longer a frontier where financial conditions are likely to be bad, and where dishonesty has always had the best chance for success. Banks have learned the lesson that conservative lending is the only kind of business that pays, and that wildcat speculation has always proved unfortunate for all concerned in it; certainly our finances were never on a better footing in this respect than they are now. The southern banks have recovered from the effects of the disastrous attempt to aid the Confederate government during the Civil War, and that section of the country is now well supplied with sound banks. This, taken with the vast improvement of the South in agriculture and industry, makes the banking situation reasonably satisfactory. It seems as if deposits and loans would manage themselves without outside interference. A question still unsettled is the connection of the great banks with the trusts; this unfortunately represents an attempt to use political influence to hinder the growth of large enterprises. It is easy enough for some politician to throw stones at men who are

infinitely his superiors in every way, in the attempt to make himself popular with the unthinking public. Hence we do not yet understand whether the great banks and bankers have acted a conservative part, restraining dishonesty on a large scale, and applying the principles of common sense to great questions, or whether they have, as some would have us believe, acted in concert with the trusts. Since it is so difficult to understand these questions, it becomes very difficult to keep our heads and to act coolly in time of excitement. One of the great faults in our system of government is that the people are often called upon to act as judge in questions of which they know nothing, or about which they have perverted ideas. In the long run, we arrive at sensible conclusions, but sometimes it takes us a long time to get there.

## CHAPTER XII

### MANUFACTURING IN THE NINETEENTH CENTURY

**Relation of  
Manufactur-  
ing to  
Finance.**

WE who study history are fortunate because we can always apply our abstract ideas to the actions of mankind, and so obtain a solid basis of fact on which to work. There is no difficulty in finding centers of interest about which to group related events, and by studying these larger groups of facts, we come very easily to understand the great questions of our national life. In the last chapter we studied the history of our national growth with reference to money matters; we come now to the study of another phase of the same matter, the manner in which our financial circumstances have affected our development in manufacturing, sometimes restraining it, again giving it every advantage, and at times nearly ruining even the soundest concerns. In order to get a fair understanding of the present situation and to see what must be done in the future to deal wisely with so great an interest as manufacturing, we must look into the history of the past century and see what changes have taken place.

**Meaning  
of "Manu-  
factures."**

The word "manufactures" really means made by hand. The common meaning of the word, however, implies the use of machinery, and we usually think of a commercial company behind the manufactured product, and of a large mill or factory in which the commodity is made. All this implies a large capital, a large force of men, and an enormous supply of raw material, which must be produced

somewhere and brought to the place of manufacture. Then follow the problems of production and transportation, of labor and the location of the mill, and, in case the enterprise develops a tendency to monopolize, many problems of a different sort are introduced.

Every manufacturer needs employees in greater or less numbers. The problems of feeding and housing must be met, and



THE OLD MILL, AT NEW LONDON, CONNECTICUT.

The oldest manufacturing establishment in the United States.

labor disputes must be wisely settled. Manufacturing is closely connected with many of the vital problems of the day. Some of these problems are of modern origin, and some have existed from the beginning of modern times.

**Relation of  
Natural  
Resources  
to Manu-  
factures.**

For a long time manufacturing had to depend on what we may call natural sources of power, such as waterfalls and the winds. Other sources of power exist, such as sunlight and the tide, but though the power contained in them is enormous, it has not yet been rendered commercially useful. So long as the wind



**A STREAM WITH A HISTORY.**

Birch Meadow Brook is one of the little New England streams that figured so largely in the early history of manufacturing. Soon after the Revolution the sawmill in the foreground was built, and a little farther down the stream, halfway to the railroad embankment, there may be seen another dam. Several other small water powers on the stream were used a century ago, but now the brook is only a ripple in summer, and often goes entirely dry. (From a photograph by the author.)

was used, establishments had to be small, and some localities were unsuitable for such a source of power. The use of water power was similarly limited until ways were discovered by which to generate, transport, and use electricity; the size of

the mill was suited to the power that could be generated from one particular fall. Dams could be built at certain spots, but the machinery was rude, and the power lost by friction made these mills small and inefficient. In the older communities of the United States we still find small factories along the courses of rapid streams, and in other places we trace the courses of small streams, once used for power, but now shrunken and impracticable. Such places were often inconveniently situated, and it was necessary to carry raw materials and finished products for a long distance over bad roads, while the "help" had to live in inaccessible places, perhaps at some distance from settlements. As long as the day of small businesses continued, such sources of power did very well, and many of them are still used, but the lowering of the water level, as the original timber was cut off, has made the average flow of many streams so small that summer finds them entirely dry. Hence, before establishing a large mill or factory, men have sought some source of power that was not affected by the weather, that was located near the source of raw materials and the supply of labor, and that was so situated that the product could be easily distributed to the consumers.

The fact that steam has great force has been known since the days of the ancient Greeks, but it was not until about 1700 that any practical use was made of the idea. Engines were made for running pumps of large size, such as might be used for draining mines or clearing swamps and lowlands. These were very rude affairs, and were so extravagant of fuel as barely to pay for their operation. James Watt revised entirely the plan of the engine, and by improvements and economies he made an engine that served as the world's greatest source of mechanical power for more than a century. Watt's first

**The De-  
velopment  
of the  
Steam  
Engine.**



patent was issued in 1769, and for years after that time he was involved in law suits and legal troubles of the most vexatious kind. The engine was still far from perfect; it stood upright, and its use was still limited to pumping and other rough work. After years of labor, Watt succeeded in "laying it down on its side," making it rotary in its motion; then with the use of an appliance called the "governor," he was able to bring the whole machine into smaller compass and infinitely greater power. By 1790 the main form of the steam engine was fixed, and except for enlarging the size and making a few improvements, little further was done for another century. The efforts had all this time been devoted to doing away with friction and the vibration that seemed to go with the reciprocating type of engine. The last development was the turbine engine, in which the force of the steam is directed against a shaft, set with thousands of little blades, much as water strikes against the water wheel. The steam engine is not yet perfected, however, for in the very best engine made the greater part of the power generated is lost before it can be turned into work.

**The Use  
for the  
Power.** Very curiously it happened that when the latter part of the eighteenth century came and steam power was ready for use in running large machinery, the combined efforts of many men had evolved the machinery that needed such power, and had developed industries that should in time build up the greatest demand for these mechanical aids. Weaving and its kindred industries had been very important in England for many centuries, but almost entirely in the woolen trade. Cotton was practically an unknown article on account of the cost of the raw material and the expense of preparing it. As late as 1700 all the cotton fabrics used in England were imported, and in such amounts that the manufacturers of woolen and other fabrics tried to stop by law

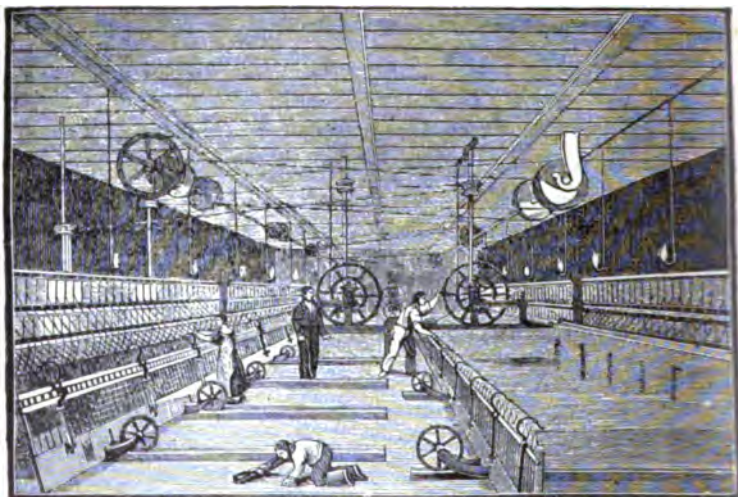
the use of any cloths other than their own. But the demand eventually produced the supply, and within a few years thousands of people in English homes were busily spinning cotton into thread to be woven by others into cloth. The first invention that really put the cotton industry on its feet was the spinning jenny of Hargreaves (1764); this was soon so improved that one operator could spin a hundred threads at a time. Other improvements and inventions followed rapidly; the Compton mule, Cartwright's power loom, cylinder printing of cloth, the use of chlorine for bleaching, all combined to prepare the cotton industry for the application of steam. This was the first real manufacturing in our modern world in large mills, with a great number of employees. Before that time it had not been possible to gather so many workers in one place, and with the scattering of the work there had been many expenses and certain drawbacks that were now done away with. Here we have the conditions under which manufacturing was introduced into America; the factory system had never existed on this side of the water, and the word "manufacturing" could hardly be used in its modern sense until such a system was at least begun.

Although power and machinery existed in England, they were not to be obtained so easily in this country. With a curiously selfish policy, England tried to keep all these inventions to herself; indeed, before the Revolution England had prohibited, under heavy penalties, the exportation of patterns, models, or drawings of the new machinery. The hand industry of colonial times could not compete with the machine-made imports from England, and it was only a question of time before some one would bring over some stray ideas, and Yankee ingenuity would improve on this beginning. Before 1789 several men had produced copies of parts of the machinery that would put spinning and weaving

**The Importation of Inventions.**

on a factory basis. In 1790 Samuel Slater was able to set up and operate successfully all the machines needed for the manufacture of cotton goods. Thus the year that saw the invention of the cotton gin saw also the establishment of the first prosperous firm of cotton manufacturers in the North.

The people of the country were divided as to the desirability of all this. Some thought that agriculture was the only wise



SPINNING ROOM IN SLATER'S MILL.

occupation for the people of the United States, and looked upon the beginning of manufactures as the introduction of evils of all sorts. Others, such as Tenche Cox of Philadelphia, started societies "for the encouragement of manufactures and the mechanic arts," and did all that they could for the broad industrial development of the nation. The period of uncertainty following 1783 gave the conservatives the advantage, and the fact that the hand industries were so busy and prosperous for

the ten years following shows that manufacturing in the modern sense had made very little progress. The country was waiting for some great shock to rid it of the idea that agriculture was the only proper occupation for Americans. Perhaps the advantage of that industry in the eyes of Americans lay in the opportunities that it gave for many small jobs. Girls and women found intervals during which they could do a great deal in the way of home industry. In 1810, it is said, the girls and women of Vermont made more than a million yards of woolen cloth, and over a million and a quarter yards of cotton and linen cloth, while the people of New Hampshire claimed that the average household of their state made three hundred yards of cloth. The same situation was found in many of the states, for the reports of societies give the most astonishing figures proving the industry and skill of the mothers and daughters of the land. It has already been told how the fathers and sons spent their spare time in making small wares, some of which were sold, others used at home. The early census takers counted in as manufactured goods all such home-made products, whether sold or used at home. An idea of the value of such work to the country at large may be gathered from the valuation of manufactured goods given in the census of 1810 as forty-nine millions for the slave states, ninety-six millions for the free states. It must be remembered that a very small part of these goods was machine-made, and of this amount, nearly all was made in New England. Of the machine-made goods used in the country, nearly all came from old England, a fact exceedingly vexatious to many good Americans whose patriotism was very strong, and who thought that America ought to be self-supporting. But the conditions slowly changed. The time and expense taken up in the hand labor at home were making domestic goods more and more expensive as com-

pared with foreign-made goods, so that the Americans who wished to adhere to the good old customs had to make the best of an uncomfortable situation.

**American  
Manufac-  
tures in  
1810.** In order to get an idea of the early capabilities of our nation, let us look at some figures from the reports of the census of 1810, and see what the values of some of the manufactures were.

Textiles . . . . .	\$39,000,000
Hats . . . . .	4,300,000
Iron manufactures . . . . .	14,400,000
Manufactures of the precious metals . . . . .	2,500,000
Soap and oils . . . . .	1,800,000
Manufactures of leather . . . . .	18,000,000
Liquors . . . . .	16,000,000
Manufactures of wood . . . . .	5,500,000
Paper . . . . .	1,900,000
Glass . . . . .	1,000,000
Tobacco . . . . .	1,200,000
Cables and cordage . . . . .	4,200,000
Total of all manufactured goods . . . . .	127,700,000

These reports are probably about 50 per cent too low; that is, the total value of all manufactured goods was more nearly one hundred and eighty millions, an extraordinary figure when we remember how few and rude were the tools used, as compared with those that we use in making our twenty thousand million dollars' worth.

**The  
Stimulus  
of War.** Soon after 1807 importation of foreign goods became greatly lessened, and the people of the United States were largely thrown on their own resources.

The shipping and fishing interests were as badly injured by the policy of Jefferson as they had been by the war, and much capital was shifted from these lines to assist the western movement and supply the capital needed for the new manufacturing

system. Thus in Massachusetts there had been fifty companies founded between 1806 and 1814, but in the latter year thirty were started. In 1803 there had been only four cotton mills in the country, all in the North, and all small; in 1815 there were more than half a million spindles at work, and the capital invested in the manufacture of textiles amounted to



AN IRON FURNACE OF REVOLUTIONARY DAYS.

This shows the present condition of a blast furnace of the old type, in the highlands of north-western Connecticut. From the ore mined there was made part of the chain that stretched across the Hudson, and later the armament of "Old Ironsides."

more than fifty millions. The value of the annual output of woollens had more than quadrupled between 1810 and 1815. The iron manufacture had increased by leaps and bounds; all kinds of machinery then in use, smaller mechanical devices for hand use, powder, and weapons of all sorts were made in greatly increased quantities. The rapidity with which cut nails were

supplanting the old hand-wrought article was significant of the rapid development of the nation. But all this activity received a rude shock in 1815, and the years following, from the great importation of British goods.

**The Cause  
of the  
Importation.**

The Poor Laws of England had undergone very little alteration from the days of the Pilgrims to the nineteenth century. People who were unable, for any reason, to work for themselves had to be supported by the parish, and such poor people were not allowed to move around freely, but must stay in the parish that was responsible for them. The expense of all the poor relief was borne by the property owners of the parish, a form of tax known as "the poor rate." The manufacturers of England formed one of the best classes to tax, for their property was visible, and was of undeniable value. When the wars with Napoleon broke out, taxation in England increased and commerce was seriously hindered. The manufacturers might have closed their mills, but in that case thousands of their operatives would have become candidates for poor relief, and this would have increased the poor rates to an enormous extent. So the manufacturers found it easier to keep their mills running part time; enough to give their people the bare necessities of life and keep them off the parish. If the war did not last too long, and if the capital of the employers held out, both manufacturers and employees would be benefited. But at the end of the war the manufacturer had an immense stock of finished goods on hand, in which much of his capital was tied up, and it was necessary for him to realize on this accumulation as soon as possible. The amount received did not matter so much, so long as ready cash came in. By the middle of 1816 English manufactured goods to the value of about two hundred and fifty millions had been brought into this country, most of it to be sold at auction.

This helped our government, which promptly laid a duty on such goods, and collected a tax on all sales by auction. It placed on the American markets an abundance of manufactured goods which could be bought very cheaply. But it injured seriously American manufacturing interests that had sprung up during the war.

There were many in the United States who seriously thought that it would be a good thing if manufacturing could be done away with, for they regarded the internal development of the country as the most important consideration before the nation. They spoke of the millions of acres in the public domain for which Congress was anxious to find settlers. There were weak western states that needed the aid of the sturdy emigrant from the eastern states. There was the problem of supplying food for our rapidly growing population, which doubled between 1790 and 1816, and which could not without disaster become dependent for food on any foreign source of supply. In short, the westward spread of settlement demanded all the capital that the country could spare, and should have it rather than manufacturing enterprises that were to make goods for export. Wars and short crops in Europe had given men a mistaken idea of the fortunes to be made in agriculture, and the chances to make money by exporting foodstuffs took on an exaggerated importance. In the midst of the somewhat feverish prosperity the manufacturer began to fear that he would be forced to the wall, for no one seemed to think his existence worth while. However, altered circumstances soon worked to his advantage.

In a previous paragraph mention has been made of the troubles of the English manufacturer during the French wars. The English landowner was little

Public  
Opinion  
on the  
Question of  
Manufactures.

The  
English  
Corn Laws.



better off, for farm hands were scarce and prices were inflated. Now it happened that nearly all the land in England was owned by the nobility, and their income was largely dependent on the agricultural return. They had endured high taxes and high prices for a long term of years, and they needed some relief. In order to keep the price of grain up so that the agricultural class could live, the so-called corn laws had been passed, governing the importation of foreign foodstuffs. This not only hit the American food producer very hard, but was a terrible injury to the poor of England. Various European countries were recovering from nearly a quarter of a century of war, and to encourage their own manufacturers they laid prohibitive duties on the importation of foreign merchandise, while at the same time they urged their own people to export all that they could, so as to bring into the country as much money as possible.

This hurt American commerce, of course, and it compelled manufacturers to cater only to the home trade, and at the same time to compete with cheaply made foreign goods. For the first time in our history the manufacturers as a class were able to make themselves heard. They had been complaining vigorously ever since the close of the war, but against strong popular sentiment. When the agricultural situation was prosperous, no attention had been paid to them. Now farmers were disgusted with foreign governments, and were not so averse to laying import duties on foreign manufactured goods as they had been before. The manufacturers hastened to prove that they deserved protection.

**The  
Infant  
Industries  
Argument.**

They reminded people that the most critical period in life is infancy; if the growing industry can be brought safely through the first years of its life, by means of protection from cheap foreign

labor, then in after life it can get along by itself. There are many expenses at the beginning of an enterprise that do not have to be repeated, and it is a heavy strain on the resources of any company to be obliged to meet these all at once. If, by means of a protective duty on imports, the market price of their goods can be raised, after a few years of prosperity they can catch up with these expenses and stand alone. A very large part of the manufacturing in America in 1816 was due to the involuntary protection of the war. A large amount of capital had been invested in these industries, inventions of great value to the country had been made under the stimulus of increased industrial activity, and if protection were refused, all these advantages would be lost. Millions of dollars had been sacrificed as a result of the interference of the war with the fisheries, and it would be foolhardy to throw away millions more.

The way to prevent this sacrifice was to give the infant industries the help that they wanted, for it would be only temporary, and with better times the rates might be reduced and prices would go back to their normal level. Since every war disturbs prices more or less, how could people tell whether the high prices were due to a high war level or to a protective tariff? At any rate, prices would soon go down. With arguments somewhat after this wise did the manufacturers induce the people to consent to a system of protective tariff. It is interesting to remember that the manufacturers got much of the ammunition for their battle from the writings of Alexander Hamilton.

This first protective tariff is worth studying carefully. It was a combination of "tariff for protection" and "tariff for revenue only," aiming not only to raise money for the ordinary expenses of the government, but to protect American manufacturers as well. Cotton

The  
Tariff of  
1816.

and woolen cloth of all sorts and all foreign goods that could just as well be made here were taxed so heavily (25 per cent of the value for three years, then 20 per cent) that they were not likely to be imported at all. Goods that were made here, but which could not be made in sufficient quantity to supply the demand, were taxed 20 per cent of their value, while those articles made only abroad bore a smaller tax, for revenue purposes. There were more than a hundred articles on which a particular duty was laid. An attempt was made to protect American commerce by laying a heavier duty on goods imported in foreign ships. This was an attempt to conciliate the people of New England, who were still largely interested in commerce.

**How the  
Vote was  
Distributed.**

Considering the immense manufacturing capabilities of the United States at present, it is hard to believe that in 1816 the total manufacturing interests of the nation represented but a very small part of the capital invested in other things, and that it was only with great difficulty that the manufacturers obtained a hearing. New England was hostile to the tariff law on account of the loss in her carrying trade that might result. The South favored the tariff law because if the Americans became a manufacturing people, the southerners would be able to find a market at home for the raw materials they produced. The wool producers of the middle states and the West foresaw a higher price for their product. Iron producers and manufacturers also wanted protection. It looked as though a protective tariff must certainly result, but again circumstances intervened not only to change the effect of the law, but also to involve American manufacturers in other great difficulties.

**European  
Affairs.**

Two events of importance in Europe spoiled the promise of this tariff law. At the end of the Hundred

Days' War Napoleon was captured, and the allied armies made so clean a sweep that peace was assured for many years to come. Incidentally England was relieved of the troubles that had induced her to impress sailors to man her ships, and European countries were able to dismiss from their armies thousands of men who had been kept for years out of the industrial field. The tariff restriction, referred to above, injured the British merchants, for English goods were kept out of the continental ports, and there was no place to send them except to America. Here they had to face the tariff, but there were underhand ways to get around the law. They could sell their goods at auction at liberal terms and so cheat the American manufacturer out of his home market. Another thing that troubled the British merchants was the fact that Americans had bought such immense quantities of these imported goods that they had not the cash to pay for them, and the merchants were obliged to accept personal notes, the value of which depended largely on the good fortune of the signers and the strength of the banks concerned.

Unfortunately the finances and banks of the **The Banks.** United States were not in good condition during these years after the war of 1812. Money values had been in more or less confusion during the war, and when the second bank of the United States was chartered in 1816 as a proposed remedy for the disorder, instead of remedying the troubled situation, the carelessness and inefficiency of the officials nearly ruined the bank during its earliest years. State banks were started in great numbers, so that in 1818 nearly four hundred such banks were trying to do business. Overissue of bank notes, unwise loans in large amounts, fraudulent mortgages, fraudulent manipulation of notes, all combined to frighten people, and added to the hard times that the manufacturers were experi-

encing. With everybody in distress and with no one very sure what had caused the trouble, it was easy for men who desired greater protection to persuade the people that the cause of the whole difficulty was too low a protective tariff. It was true that ever since the law of 1816 had been passed manufactures had been in bad shape, but of course it did not follow that this was the effect of the law. However, people were in a frame of mind to grant still higher protection to manufacturers, so the policy, which a few months before had been declared to be temporary, was converted into a permanent system of protective tariff.

Why  
the Tariff  
was not  
Changed.

When Congress met for the session of 1820, it was deluged with requests for a higher tariff, but the opposition was strong, and in the Senate the advocates of "agriculture and expansion" were able to defeat the bill, and put it off until the next session. When Congress met again, opposition to the proposed increase was greater, for the agricultural South had had enough of high prices, and had determined that they were due to the protective duties. So the South and the commercial interests of the North were arrayed against any extension of protection, while the middle and western states were in favor of a still higher rate of duty. For the time the opposition was able to have its way, and the increase in duty was again postponed. An odd change had come in the relative position of agriculture and manufactures.

The first sign of hard times was the suffering of the manufacturers; then the prices of food and other products of agriculture went down, so that the manufacturers began to resign themselves to low profits, while the farmers were beginning to feel the pinch of hard times. For example, flour fell in price from \$15 per barrel in 1817 to \$5 four years later. This means that the manufacturers were relatively in a better

position than they had been before; with the lower wages that came in, they were better able to compete with the foreign trade, especially as the 25 per cent maximum duty had been extended to 1826. They were beginning to make so many improvements in their machinery and could economize so largely in this way that they were on still better footing. Manufactured goods made in America were able to compete with home-made articles and were slowly driving them from the market.

This fact brings us to another argument for protection, the "home market" idea. The theory is simply that the interests of agriculture and manufactures are so closely mingled that what benefits one helps the other; if we should encourage a large manufacturing population, it would help the farmer, for all these laboring people would have to be fed; hence both farmer and manufacturer would find a market at home for all products, and the immense expenses and losses of the export trade would be done away with. With the commercial hostility shown us by almost all foreign nations, it was natural to suppose that it was for our best interest to develop our own country. To bring this about, we must shut out foreign goods, hence a duty high enough to do this was needed. Such a tariff barely missed going through in 1820 and in 1822; higher duties ( $33\frac{1}{3}$  per cent instead of 25 per cent) came in 1824 as a result of this demand, but the high-water mark of protection did not come until 1828, ten years after the hard times that had produced the demand for protection. Before we study that, we must look for a moment at certain changes that took place in the manufacturing world during those ten years.

Many improvements had made entire changes in certain industries. The discovery of the percussion lock changed the science of war and the manufacture of all kinds

**Remarkable  
Progress.**

of war materials. The famous Hoe press was begun, and the printing press was first run by steam, by Mr. Shadrach Van Benthuyssen. The first school history of the United States was published by Miss Emma Willard, principal of the Troy Female Seminary. There were nine daily papers and twelve weeklies in New York City, and there were a hundred and fifty printing shops in Philadelphia alone. Travel was revolutionized by the development of the great canals of the country, and by the introduction of the railroad late in the decade. Manufacturing opened up a new field, and the prosperity of the middle states was given a fresh impetus by the use of anthracite coal for



Compare this percussion model with the flintlock. (Courtesy of Remington Arms Union Metallic Cartridge Company.)

generating steam. In 1826 the capital employed in making and placing on the market all kinds of goods was reckoned to be over three hundred and fifty million dollars. Aside from that used in the food industries, the largest part of this capital was invested in the manufacture of textiles, principally cotton and woolen goods. The most striking development was the wonderful growth of the cotton industry, which from that time has been one of our chief productive enterprises. Not only were cotton mills found all through the northern and middle states, but textile cities were founded where there was water power, notably in Maine, New Hampshire, Massachusetts, and Rhode Island. Woolen manufactures were stimulated by the protection of the high tariff, and by the great increase in the supply of raw material. For example, in 1826 there were said to be sixteen millions of sheep in the country. In some way,

either because of overproduction or because importers were able to evade the law, or because of improved conditions abroad that enabled foreign producers to undersell the American, 1827 was a disastrous year for the woolen men, and they met at Harrisburg, Pennsylvania, in July of that year, to discuss the causes of their trouble and to find a remedy.

Although this convention was the outcome of the troubles of the wool producers, by the time the delegates from thirteen of the states had been selected, the convention voiced an imperative demand for higher protection. It expressed clearly the idea that the business troubles of the time were due to the failure of the act of 1824 to protect as much as was necessary; the remedy evidently was to raise the rates, or to devise some scheme for making the former rates more effective. They considered that all this was justified, for four fifths of the people of the land were interested in agriculture, more than seven million were directly interested in sheep raising, and of the remaining 20 per cent of the population, at least one fourth were dependent on the woolen manufactures. The convention included among its members many men of great weight in public affairs, but none from the South. It sat for only five days, when it came to an agreement as to its wishes, and prepared a petition that was to be presented to Congress as the will of the people. Although the members of the convention representing the eastern, central, and western states were in accord, the South was by no means content with the drift of affairs.

The South had by this time become thoroughly persuaded that with its agricultural interests centered in cotton raising, and with very little manufacturing in the modern sense, its interests were diametrically opposed to those of the North with its diverse agricultural conditions and its

**The  
Harrisburg  
Convention.**

**Southern  
Opposition.**



manufactures of a thousand sorts. Throughout the South the high price of manufactured goods was attributed to the operation of the tariff; hence while the Harrisburg convention was crying aloud for more protection, the southerners were asking each other pertinent questions regarding the relation of their states to the Union.

They questioned whether any tie could bind together a union that disregarded the vital interests of so large a part of its people, and which in order to give special privileges to the manufacturers, taxed the rest of the nation outrageously. The South had for some time been indignant over the attitude of the northern majority, and the Harrisburg convention was the red rag that infuriated the already irritable state of South Carolina. Although they had not yet reached the point of advocating rebellion, newspapers and magazines preached the doctrine that it was time to stop peacefully allowing the North to violate the sacred rights of the South; it was time to break away and to leave the reckless northerners to work out their own destruction. They had an undeniable right to ruin themselves if they wished to do so, but they had no right to drag others into danger without their consent. One of the most famous speeches of the time was delivered by Dr. Thomas Cooper before the people of Columbia, South Carolina, in June, 1827. In an attack that seems to us almost insane he directly charged the northern manufacturers with conspiring to ruin the South. Such intemperate language would hardly be used now, for that style of oratory has gone out of fashion. Of course his charges were entirely untrue, but such words made the South tremble for its very existence. The question as to what Congress and the nation would do with the recommendations of the Harrisburg convention was answered by the peculiar political conditions of the years 1827 and 1828.

Sometimes voters are divided as to the merits of **Personal** certain questions; sometimes they rally around **Politics.** certain men, and strict party lines are lost in the personal differences between the candidates. The two men most likely to run for the presidency at this time were Jackson and Adams. Jackson commanded most of the votes in the South, and many in the middle and northern states, but unfortunately many of the northern Jacksonians believed in protection and would gladly vote for a higher rate of duty than was actually in force, while the southern Jacksonians not only would not increase the rates, but wished to lower them as much as possible; they were thorough "free traders." The Adams men were very strong, and as their leaders used protection as a catch word, the popular enthusiasm for it made it appear that Adams had a better chance of election than Jackson. The object of the Jacksonian leaders, then, was to get their men to agree on the tariff question, and, by fair means or foul, to cheat the Adams men out of their apparent advantage.

The piece of political chicane that followed is one of the most amusing things in American history. The plan of the Jacksonian leaders was to use their advantage in Congress to attempt to push through a tariff bill of a highly protective nature, so worded as to be unpalatable to the Adams men, and when it came to the final vote, to unite against it with disgruntled Adams men, and then to try to throw the blame for its defeat on the New England party. They intended to raise rates very decidedly, and among other things, to lay very heavy duties on raw materials. This would injure New England seriously, for it would interfere with commerce, and would embarrass the manufacturers. Although Adams men, the New Englanders would vote against the bill rather than meet ruin, and thus would lose the con-

**The Origin  
of the  
Tariff Act  
of 1828.**

fidence of the protectionist party, whose candidate Adams was supposed to be. This plan was carried out up to the last step, but to the intense astonishment and disgust of the Jacksonians and nearly everybody else, the bill passed and became a law. It is necessary now to glance at its provisions, and to see how they affected the growth of manufactures.

Both parties had been bidding for the votes of the central and western states, hence heavy duties were laid on the importation of such raw materials as these states produced: pig iron, hemp, flax, and wool. The duty on pig iron was raised 12 per cent, on hemp about 75 per cent, while the duty on flax was similarly advanced. In the new duty on wool a scheme was tried for the first time in this country, a combination of specific (*i.e.* so many cents a pound) and *ad valorem* (*i.e.* according to the value). For instance, raw wool was to pay four cents a pound plus 40 per cent of its value, this latter figure to be slowly increased until it reached 50 per cent. These and other items of the bill were supposed to make the bill so unpalatable to the men of New England that they would not vote for it. But for political reasons and on account of some small changes made at the last moment, enough of them joined with the men of the middle states to pass the bill. Of course the reaction set in immediately; in 1830 the process of revision began, and by gradual steps the rates were lowered, until in 1833 the "compromise tariff" provided for a gradual lessening of the rates during a period of ten years. However, for a time it looked as though manufacturers of all kinds would be severely injured by the rates of the "tariff of abominations."

**The Depression.** It was certainly true that nearly all parts of the country went through a period of hard times immediately after the passage of the act of 1828. The manufac-

turers of New England were so badly hurt that they claimed to be ruined. The South was troubled with a remarkable fall in the price of cotton, and since the South raised little else, all her people were in distress. The price of food went down, so that the farmer of the middle and western states suffered in his turn; naturally wages declined rapidly, so that the laboring classes everywhere felt the pinch of hunger. Only very slowly did the country emerge from these difficulties, and then only by a combination of fortunate circumstances. For example, the raising of cotton was revolutionized by the study of the plant and its needs; from this study came the sea-island cotton, with its long and strong fiber. As gins were further improved, their price became much lower. The efficiency of some kinds of cotton machinery was doubled between 1829 and 1834. The industrial life of the country took on a new appearance with the growth of the old and the springing up of new lines of business. The increase in the manufacture of hardware, of fine metallic wares, of the coarser goods of iron, of machinery of many kinds, of rubber goods, indicate great changes in metal industries. Transportation was changing, too, for there were nearly two thousand miles of canals in operation in the United States in 1835, with nearly as much under construction. Steam railroad traffic was making a good beginning; in 1833 there were in New York alone seventeen and a half million dollars invested in railroads, though as yet there were only thirty-six miles in operation. The distribution of all this progress is well shown by Bishop's list of the patents issued in the year 1830:—

New York . . . .	190	Maryland . . . .	24
New England . . .	146	Ohio . . . . .	19
Pennsylvania . . .	88	New Jersey . . .	8
Virginia . . . . .	26	Mississippi . . .	1
Alabama . . . . .			1

Slavery hindered the development of manufactures in the South; such manufacturing enterprises as were started in that region were largely due to northern energy and northern capital. Even so, it was uphill work to establish in the slave states any form of manual industry other than the simplest. The slaveholders of 1835 did not realize that all their eight hundred millions of dollars invested in the production of cotton did not yield them anywhere near the return that that amount of capital should have produced.

**Results  
of these  
Changes.**

While these changes were taking place, a great many manufacturers were crowded out. Some, of course, were not progressive, and since they were not up to the times, they could not compete with those who were. By far the greater part of the failures up to 1837, however, were due to the fact that lessening rates under the compromise tariff allowed many European goods to come in at a price that drove out American capital. Large amounts of our national assets, then, were taken out of manufacturing and devoted to the development of the West.

**The  
Stimulus  
to the  
Western  
Movement.**

The West in 1837 was not by any means the wilderness that it had been in earlier days. All the land east of the Mississippi except Wisconsin Territory had acquired statehood, while immediately west of the great river there were three states. But many of these states had very few settlers and needed more. The United States still owned millions of acres of land, which it offered to sell for a dollar and a quarter an acre. Just before 1830 the estimate had been made that at the rate of settlement then existing, it would take the government about five centuries to dispose of all its lands! However, very soon the sales began to increase; between 1830 and 1837 about fifty-seven and one fourth million acres were sold, but 63 per cent of that



TRAVELING BY PACKET BOAT, ERIE CANAL.

amount was sold in 1836 and 1837. There were several reasons why displaced capital went into western lands rather than into some other form of investment. The extension of the canals and railroads enlarged the market and made it possible to transport agricultural products to the seacoast for exportation to Europe. Owing to certain influences at work in financial circles, the country had started on a brief period of speculation. It became popular to invest in public lands and paper towns, and, as is usually the case at such times, prices went up everywhere. "Inflation" was noticed throughout the business world. People fell victims to the delusion that such advances in prices really create wealth. A man with ready money believed that if he invested it in manufactures, he would make but little at best, while if he put it into western lands, his profits would be enormous. Incidentally we must note that this great sum paid into the national treasury for public lands brought trouble in its wake, for so many people tried to pay their debts to the government in more or less worthless state bank paper money that Jackson became alarmed and tried to force payment in better money. Mild measures failing, he issued the famous "specie circular," bringing on the panic of 1837.

**Results of  
the Panic  
of 1837.**

Naturally one result of the panic was to hasten the real occupation of the western lands. With the speculative period over, it was possible to develop these lands in sober earnest. Another result was a long struggle for existence on the part of the manufacturers. There came a period of great expansion, of many changes due to inventions and new industries, but these interests had to combat the flood of European goods that came as a result of the lowering of the tariff rates. There followed a new period of protection, free from the hysteria and absurdity that had marked the earlier time, with a clearer understanding of the causes for protective

tariff and a more sensible way of settling the difficulties. This time manufacturers were not compelled to fight for recognition as they were the first time, but were easily able to obtain from Congress (1842) a new tariff law, giving them protective duties averaging about 33 per cent. The political conditions and not the industrial needs of the community of manufacturers were really at the bottom of this law, as they were at the root of the tariff changes of 1846 and 1857.

We now approach a period in our history in which the current of our national life was changed entirely. We fought the Mexican War, an action that we regretted later, for it was the first resort to armed force of which the slave party was guilty. The whole nation, however, shared the blame, for the North stood by and permitted this forced increase of slave territory. We were beginning to receive large numbers of immigrants, as a result of political and economic conditions in Europe. This movement was especially important because it formed the beginning of the immigration policy to which the nation has committed itself. The discovery of gold in California helped increase our importance in the great family of nations, of which we had hitherto been but an unimportant member. The repeal of the corn laws by Parliament and the first World's Exposition (in England) did much to bring us back into the close relations with the mother country that had existed before the days of Jefferson's embargo policy.

Politics in our own country was given a new drift by the Compromise of 1850, an agreement that served to bring trouble to a head ten years later. The corresponding change that took place in our manufacturing world was the natural outcome of the trials and tribulations that had afflicted us ever since we began to turn from agriculture and commerce to manufacturing. While American manufactures had grown enormously since



the days of the embargo, they had met a series of difficulties for which only experience could furnish the remedy. Very few of the companies that entered the field before 1825 had capital of any great size. Capital of two hundred thousand dollars was very large for those days, and the majority of concerns had but a very small fraction of that amount. Such companies did but a small business, and since they maintained only a small margin of safety, they easily succumbed to disaster. About 1825 the modern form of corporation came into being. It had great strength and lasting powers, and possessed many other advantages over the smaller organization as a means of carrying on business. But even this was not able to withstand the strain of the frequent troubles that came so fast after 1828.

**Consolidation.** During the 1840's the idea came home to the manufacturers that their safety lay in a smaller number of companies, with a larger capital. They saw many advantages in such consolidation, chief among which was the fact that such a concern, with greater resources, would be able to stand the shock of business troubles and tide over periods of hard times. We are not to suppose that this idea came suddenly, or that it was considered wise by all. In 1850 the average capital of the hundred and twenty-three thousand companies was only five thousand dollars, and in 1860 it had increased only about two thousand dollars. The small pioneer railroads, with their non-connecting routes and their absurd jealousies, hindered development more than they helped it; they must consolidate their lines and their finances before they could help on the commercial interests of the nation. In strictly manufacturing trades, men found it easier to estimate the needs of the market when there were a few large companies than when there were many small enterprises. Information about their common needs was easier to get and more reliable. It was

easier to interest the public in the sale of stocks and bonds, and such investments became vastly safer. Large companies were able to employ skilled men, who, by introducing improvements in machinery and economical methods in production, were able to cut down expense and to meet competition by lowering prices.

During the period of our history when Americans were content with few and rude purchased articles, when every farm or plantation tried to be self-supporting as far as possible, large numbers of objects were turned out in the South, "manufactured" in the strict sense of the word. Then as the first half of the nineteenth century passed by, a great change took place in the way in which things were made; mechanical skill, with proper machines, could turn out articles of all sorts so rapidly and cheaply that hand labor, even of the best, could no longer compete with it. In this matter the South naturally fell farther and farther behind. There were many slaves sufficiently intelligent to become blacksmiths or shoemakers of an unskilled sort, capable of making the things needed on the plantations, but hand labor became increasingly expensive, as the machine-made goods of the North came in. This means that as the industry of the North demanded constantly improved machinery and better trained operatives, the South labored more hopelessly than ever under the handicap of slavery.

The figures for 1850 and 1860 show very well how far behind in progress the South was falling, and how rapidly. In 1850 the value of manufactured products in the states south of Mason and Dixon's line was one hundred and sixty-five million dollars; in the North, eight hundred and forty-three million dollars. These figures are really deceptive, for the northern figures refer very largely to machine-made goods, while the southern figures in-

**Widening  
Difference  
between  
North and  
South.**

**The  
Difference  
of a Decade.**

dicating principally such manufactured goods as naval stores, in which machinery is little used. As a rule, the greater the amount of machinery used and the finer its quality, the greater the value added to the raw product. Thus the amount of labor and skill needed to produce pig iron, which is included in the southern figures, is as nothing compared to the value added to that raw product by the northern mills that made up the iron into machinery of the best and most expensive sorts. Thus it will be seen that in 1850 the South produced only about 20 per cent of the value of northern manufactures. In 1860 the value of northern manufactures had advanced to about nineteen hundred million dollars, that of the South had sunk to about one hundred and fifty million dollars. Thus at the end of the decade the South produced manufactured goods to the value of only 8 per cent of the northern valuation. Here is an actual falling off of 9 per cent of the value of southern manufactures in the ten years, with an advance of over 125 per cent in the North. In the North manufacturing was gaining on agriculture in the annual value of its products, though it was to be forty years more before manufacturing actually stood first. These figures mean that the North was becoming mechanically powerful, while the South was refusing to apply itself to such pursuits.

**The  
Results in  
the North.**

If the North and the South had remained at peace with their complementary lines of activity, there might have been no trouble; each might, indeed, have helped the other, and the situation would have been to their mutual advantage. But when the war came on and the country was divided into two unequal sections, the facts shown above came out in their true light. Of course in the earliest days of the war the North had to buy much of its war materials in England, but the products put out by the Colt

people, with the Sharps and the Enfield rifles, were soon available. The North, with its highly developed adaptability was able quickly to alter its manufacturing activities to furnish the new kind of product demanded by the war, and the circumstances of the war even stimulated inventive genius to greater efforts.

For example, the army obtained a very large number of recruits from the farms. This naturally meant that the supply of food and other agricultural products would be smaller. The price of nearly all articles goes up in time of war, and the price of foodstuffs is apparently affected more than that of other commodities, since many of those who have been producers now not only cease to produce, but become consumers on a large scale. In the time of the Civil War this fact gave a powerful stimulus to the invention and manufacture of agricultural machinery, and to the improvement of hand tools, while the farmer was encouraged by the high selling price of his products to buy machinery that he would hitherto have rejected on account of its expense. The same truth applies to all articles used by armies in the field, and such is the sympathy that prevails between different lines of work in the industrial world that a great many kinds of industries were stimulated, although they had nothing to do directly with the warfare. In order to raise money to meet current expenses, the government laid heavy duties on the importation of nearly everything. This acted as an involuntary protection to manufacturers, and although prices advanced everywhere, manufacturers were enabled to make larger profits merely on account of the high prices.

On the other side of the line all was different. The southerners were brave, and they were ready to fight for what they believed to be right, but patriotism cannot change in a moment the inherited habits of centuries. If the war had dragged on

**The  
Results  
in the  
South.**

for years, some change might possibly have taken place, but in four years it was impossible to alter the idea that work was degrading, since it had always been associated with slavery. Indeed, when, through devotion to his cause, the southerner attempted to work, he found that he did not know how. Not only this, but there did not exist in the South any efficient tools. There were no mechanics who had the brains and training to make the tools, and there were no workmen to use the tools, had they been made. There were a few men of skill, and some others were imported, but they were so few that they could not accomplish anything worth while. The South found herself, as Helper had said, really dependent on the outside world for all manufactured goods of importance. If the southern states should be cut off from the source of food supply, their plight would be pitiful, indeed. Moreover, the only thing of value that the South could export was cotton; with this they could buy goods of all sorts, they could guarantee their bonds, and they could pay all their bills with the commodity on which English commerce and manufacture were so dependent. But help failed them where they thought it most sure. Circumstances led the British government to refuse aid, and the insight of the northern leaders into the value of a strict blockade put an end to hopes of aid from the exportation of cotton. Even so, why could not the South have made up its cotton into goods of all grades at home? Because their capital was largely invested in slaves, and that was a form of capital that could not easily be transferred from one industry to another. Thus the South owed its defeat in the Civil War largely to the effect of its labor system on the industrial character of its people.

**The  
Lessons  
of the  
Tragedy.**

Although there is no class distinction in the United States in the sense in which it exists in Europe, we sometimes speak of those who are natural leaders

in a broad sense as "the better class." These are the men who invariably stamp their own impress on the life habits of the people. It is certainly true in our history that a very few men have done more than the millions in involuntarily directing the progress of the nation. We may imagine, then, the responsibility that is laid on the shoulders of the men who belong to this better class. Education in its broadest sense, the wisdom that comes from observation and experience, moral uprightness of the old Puritan sort, all are needed if the ship of our industrial state is to be steered clear of the rocks that lift their heads above the smooth waters of even the most prosperous sea. Until we get rid of war with its attendant evils, no country will be quite safe that is not self-supporting. Our country, it seems, should maintain a proper proportion of manufacturing and agriculture, with such commerce as is justified. Just what this proportion is, no man can say, nor is it easy to see how such a matter may be controlled. Experience is a stern teacher, and she punishes us as severely for our blunders as for our sins. Indeed when the welfare of a nation is concerned, it looks as though a blunder were a sin of the worse sort. The men of the South suffered during the war for the mistaken ideas of their ancestors.

A very good example of the danger of blundering **War** is to be found in the effort to solve the financial **Revenues.** puzzle of the North. There were several ways in which the federal government tried to obtain the enormous sums needed to pay the expenses of the war. Among these were internal revenue taxes of various kinds and heavy import duties. As has been said before, these last operated as incidental protection; although their prime object was to raise money, they necessarily protected the manufacturer. The high prices that resulted led to two different natural effects. (1) Manufac-

turers, seeing the possible profits to be made, invested larger amounts in their business and built larger factories. (2) Other manufacturers, acquainted with foreign conditions, saw that it was at last possible to meet the competition of cheap foreign labor, and so began to make goods that, without such high duties, would never have been made at home. What would be the attitude of these manufacturers toward these high war duties? At the close of the war the most natural thing to do was to reduce the taxation that the people felt most keenly; hence direct taxes, some of which were internal revenue taxes, were lowered or done away with. It is only fair to remember that at that time affairs were in so great a muddle that few people understood them; hence when manufacturers put up the plea that the repeal of the war tariff, or even the lowering of the rates, would mean ruin to them, the argument appeared good, and it seemed safest to let things alone.

**High Protection.** Naturally manufacturers stood together in the demand that the high war rates be maintained. Although their opponents tried to break their power not once but several times in each session of Congress in the years following the war, all attempts failed, for the manufacturers were united, and their opponents were men of various political creeds. Gradually men forgot that the high rates had originally been intended to be temporary, and the Republican party adopted, as an important part of its platform, the policy of a high, permanent protective tariff. As that party has been in power from 1861 to 1913, with the exception of Cleveland's administrations, the protective system has naturally become a part of our idea of government. There have been many successive tariff bills enacted since the close of the war, differing somewhat in their treatment of certain important questions, such as a duty on raw materials, varying the rate of duty in

accordance with the financial state of the government and the general condition of business. The advocates of tariff reform frequently emphasize the importance of the great amount of capital that is invested in manufactures, and the damage to the country if it should be imperiled through a lowering of the tariff. Such men have tried to raise the rates above those charged during the war.

Such being the position of the Republican party, of course the only thing for the Democrats to do was to take the opposite side. They have uniformly claimed that the rates were too high, that all the people were being taxed for the benefit of the manufacturers, that the few were getting rich at the expense of the many. They advocated the principle of free trade, a condition in which commerce is entirely unhampered by taxes of any sort, but in which common sense and self-interest lead men to buy and sell to the best advantage. Whichever party is in control at Washington, money has to be raised in about the same amounts and in essentially the same way, by taxation. One of the most common arguments of the politician is that his opponents (who are in office) are wasting the people's money, but it is noticeable that when he himself gets into power, he finds that he must swallow his arguments and his principles and raise the money for necessary expenses in the best way he can. He contents himself with saying that he will certainly tax imports at the lowest possible rate, but the history of the past forty years does not prove that either party has shown any particular wisdom in the management of the tariff. The truth of the matter is that a tariff law is so tremendously complex that the men who make it are obliged to call in experts, who alone understand the different schedules. As a result the document is so filled with technical expressions that the lawmakers themselves do not

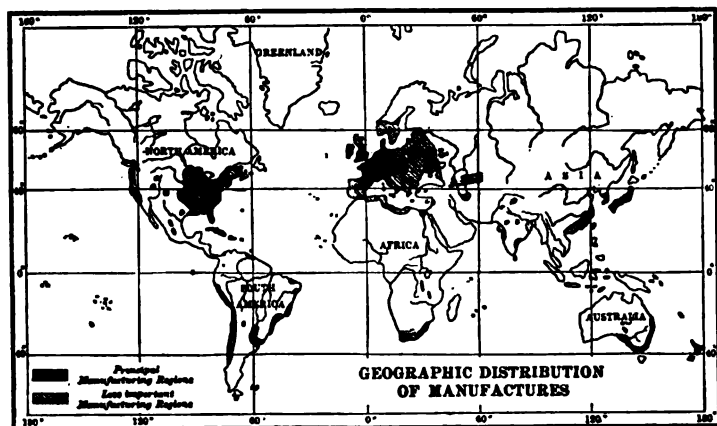


pretend to understand it. With our common system of ad valorem duties, the amount collected depends on the rise or fall in the market value of the articles taxed. In at least one case where the party managers tried to sooth popular discontent by reducing the rates, their purposes were entirely frustrated by such a change in the value of the commodities in question that by the time the law was passed it actually provided heavier protection than the law it was intended to correct! For this reason the tariff is a thorn in the flesh of the party in power at Washington, and a blessing to the minority, for it gives them a chance to point out countless mistakes that their opponents have made, and makes it easy for them to misrepresent the majority to the voters.

**Growth in  
the Past  
Fifty Years.**

One of the phases of American life of which we are most proud is the enormous growth of manufacturing in the United States since the outbreak of the Civil War. Actual figures tell us little, but we can get some idea from the proportionate increase. At present the annual value of our manufactured goods is about eleven times the value of such goods in 1860, while the total value of our exports and imports has increased sixfold. In 1912 we exported manufactured articles made in our own mills to the value of over a thousand millions, while in 1860 the exports of domestic merchandise amounted to only three hundred millions. During a single week in December, 1912, manufactured goods to the value of twenty-five million dollars were exported from the port of New York. In 1850 the average capital of the American manufacturer was about seven thousand dollars, a great increase over 1850; in 1899 the average capital was over forty-three thousand dollars, in 1904 fifty-eight thousand dollars, and in 1909 sixty-eight thousand dollars. During the decade between the twelfth and the thirteenth censuses the number of manufactur-

ing concerns increased only 30 per cent, while the amount total of their capital more than doubled. This enormous growth began to make itself felt even before the war was over, and was doubtless partly due to it. When the war began, the government was obliged to buy large amounts of all kinds of war supplies, and there was much money to be made in government contracts, but there were few manufacturers able to handle more than a small



THE WORLD'S GREATEST MANUFACTURING AREAS.

This map shows how little of the world is really absorbed in manufacturing.

contract, and the government naturally gave the work to the largest producers, since such men would be able to make a lower bid. This fact gave many men the courage to launch out with a large capital, so that the end of the war saw a curious situation in many industries; a few large companies survived, having driven to the wall their smaller competitors. We have already seen examples of this in connection with the clothing trade in New York.

About the time of the Civil War we find the first great railroad enterprise successfully carried out, and at about the same time our manufacturers

**A Period  
of Larger  
Ideas.**

began to have "big ideas," plans that made essential a much larger command of funds than the average small manufacturer could control. This was partly due to low financial conditions, and partly to a series of inventions that made necessary the expenditure of large amounts of capital in the purchase of new machinery. Old machines, from which the owner had not yet obtained his money's worth, must be discarded under the stress of competition. The panic of 1873 was disastrous, for the industrial world was just beginning to be well adjusted after the disturbances caused by war conditions, and many concerns were not established well enough to be able to stand any extra strain. Still another element that affected the new era was the rise of a different type of business man. The sober conservative worker of the ante-bellum period was succeeded by the man who delighted in the excitement of managing great sums of money and in the taking of great risks. Such a man was Jay Gould, a leader in the affairs of the Erie Railroad, and a prominent figure in the finance of the day. Other such men have appeared from the Civil War period to our own day. These men were much abused by many good people and were called many hard names; others called them "captains of industry," and spoke of "big money" and "frenzied finance."

**Transformation of  
Smaller  
Corporations  
into Trusts.**

A movement already referred to was the change that began about 1825 by which private concerns, under personal management, were transformed into corporations, under the control of regularly elected officers, especially of a board of electors. This change slowly became more popular, until about 1870 many of the big concerns were operating under state charters as corporations. The idea appeared, one of the "big ideas," of combining a number of corporations in the same or similar businesses, and running them all from one office. This would permit many

economies that would make possible lower prices for the consumer, larger dividends for the investor, and better wages for the laborer. By purchasing raw materials in large amounts a great saving could be made. With a practical control of the market competition, which was becoming too strong, would be done away with. With one central office duplication of office force would be avoided, and by distributing orders to the factories best situated, transportation charges would be reduced to the smallest possible amount. A factory could be closed down without injustice to those who had built that particular plant, for when the trust was started, all shareholders in the companies forming the trust surrendered their stock to the officers and received instead "trust certificates." The profits were divided among all the shareholders, and none of them suffered if certain mills were closed down. On the contrary, all were benefited. With such great plants it would be possible to use by-products that had previously been produced on so small a scale that they were not worth handling, while such a powerful company could afford to employ chemists to find other uses for the waste materials. All this seems wise, and indicates that the trust was a most beneficent institution. Let us see how it worked.

"The Standard Oil Company" was the name of an oil firm in Cleveland, Ohio, that as early as 1865 was doing a very successful business. It branched out in many lines, and in the course of the next twenty years was accused of trying to gain unfair control of the market by stifling competition, by offering low prices, by obtaining preferential rates or rebates on the railroad rates usually charged, by buying up the source of supply, and by the use of violence. It did increase its size and capacity until in 1882, acting under the direction of John D. Rockefeller, it was reorganized under the same name, taking in about forty of the

The  
Standard  
Oil Com-  
pany.

competing companies. This gave the trust control of the market, and since its members controlled interests in allied companies engaged in transportation, mining, and metal working, the Standard Oil Company speedily became the most powerful industrial and commercial company in the world. It has branches in almost every country. A traveler in the far western part of China, almost at "the roof of the world," was surprised to see a long string of coolies approaching his encampment, carrying suspended from poles some familiar cans; it was Standard Oil kerosene in five-gallon cans. Much has been written about the doings of the Standard Oil Company and the men of whom it is composed, but here we must merely say that while the company did a great deal of good along the lines suggested in the preceding paragraph, it did much harm to the country in general by introducing ways of stifling competition in business and in the labor world. It was largely fear of such powerful companies that led to the passage in 1890 of the Sherman Anti-trust Act.

**The**

**Sherman**  
**Act.**

This law, sometimes called the Federal Anti-trust Law, to distinguish it from the numerous state laws of the same nature, permitted legal action against the trusts. But it was only a beginning, for it proved to be so easy for them to evade its provisions that the law was, for the time being, of no effect. The commonly accepted definition of a trust, "a combination in restraint of trade," occurs in this law. This provision declares illegal "every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several states, or with foreign nations." Unfortunately the state laws were also useless, since all the states did not make legal attempts to restrain the trusts, and there were enough states in which such corporations could find refuge to defeat all attempts to regulate the trusts.

The last decade of the nineteenth century brought many changes into the business world. The panic of 1893 showed plainly the great advantage of large scale production, and as the Sherman Act turned out to be futile, men in all lines began to organize trusts, obtaining charters in the states whose laws permitted such combinations. In 1900 there were one hundred and eighty-five such combinations, with a capital of fifteen hundred millions of dollars, and by the time this craze came to an end there were over three hundred corporations that might possibly be called trusts, with a combined capital of about seven thousand millions. Of these the largest and most powerful was the United States Steel Corporation.

This company was founded in 1900, and consisted of a group of smaller concerns, the chief production of which was iron in some of its forms. By uniting their capital and issuing additional shares to a large amount, the corporation was able to purchase enough properties to make it possible to put its products on the market at a price far below the figure that other producers must get in order to live. Not only did the corporation buy iron mines, but coal mines, lime quarries, railroads, and steamboat lines connected more or less closely with the making and marketing of iron and its products. In the South, for example, the company owned mines and quarries so situated with relation to each other and to transportation facilities that the corporation could compete with any manufacturer in the world, foreign or domestic. Thus by economies of one sort or another, and by its friendly relations with other trusts, this company attained great power, although it controlled only about one third of the available iron properties of the country, and thus escaped the charge of being a monopoly.

Not all such combinations were formed with the same business skill; many were carelessly conducted

**"United  
States  
Steel."**

**Other  
Examples.**

and necessarily failed. Others were organized where none was needed, and failed utterly. Still others, like the United States Ship Building Company, were fraudulent from the first. In such a time of excitement people could not keep their heads, and crooked financiers found good opportunity for deceiving the unwary. Of course those concerns that were founded in fraud soon went out of existence, but many of the strong ones remained and grew exceedingly powerful in the first decade of the twentieth century. Thus we had thrust upon us the problem of controlling these mighty industrial giants, for we must remember that even the best of men are not too good to be watched, and it is reasonable to suppose that corporations are no better.

**The  
Control  
of Trusts.**

The Sherman Act was found to be nearly useless. It was possible for a company to reorganize or to change its name slightly, or to take some legal steps that would satisfy the law without really changing the iniquitous situation. The next step came in 1903, when the Bureau of Corporations was organized as a part of the Department of Commerce and Labor, for the special purpose of studying such corporations and reporting its findings. This bureau has done some splendid work, and has distinguished itself by the sober common sense of its reports. In the same year was passed the Elkins Act, supplementing the Sherman Anti-trust Act; this new law tried to bring the trusts under federal control by reaching them through their shipping interests. All the trusts were so large that their business could not be confined to the borders of any one state. But in so far as their commerce was carried on among the several states, they could be reached under the working of the Interstate Commerce Commission. The general attempts of the government, as seen in the past few years, have been to bring all such corpora-

tions under the control of the government by changing the source of corporate power from the state to the federal government.

Our view of the trusts is simply this: the trust is the logical outcome of the process of concentration of capital that has been going on for the last two generations. It is, then, a natural commercial activity, and is to be carefully watched and controlled, but not necessarily cut out as a malignant growth. Such combinations are capable of rendering valuable services to the community, and they should be allowed to do a legitimate business, if they can be restrained from doing injustice to those who are in any way dependent on them. The corporations are so powerful that their very size is a danger; yet we should not get hysterical over it, but should give them all the liberty possible, and at the same time make it impossible for them to do harm.

**The  
Prosecution  
of the  
Trusts.**

This is the substance of the policy adopted during President Roosevelt's administration; by his direction, the attorney-general of the United States brought suit in the Supreme Court of the United States to dissolve certain trusts, beginning with some of the most powerful. The whole country watched the prosecution of the Standard Oil Company, feeling that if the big trusts could be made to behave themselves, the smaller ones would fall into line without much trouble. The government has so far had success in its suits. It has not always been able to prove that anything has been done contrary to law, but there is no harm in this, for we must be fair to big interests as well as to little ones. The Standard Oil Company, for example, was forced to separate into smaller concerns, each doing business in a different state; whether this will bring about the desired results we cannot yet tell. At present the officials of the disbanded trusts show every sign of good faith; they have paid their heavy fines, and the reorganization has progressed reasonably. We



do not yet know how these changes will affect the prosperity of the manufacturer, but it seems reasonable to believe that the better part of the business life of the country is so firmly settled that it can stand some disturbance without being seriously injured.

**Effects of  
Modern  
Conditions.**

With such changes as the last generation has seen, the relation of the working man to his employer has altered. Instead of working in many small factories, where they may have some knowledge of each other, master and man have changed to corporation and man. The man is simply a very small wheel in a vast machine, and he does not get the particular consideration that he sometimes did in the days when his employer knew him if they met on the street. It is true that the formation of the trusts has closed down many of the factories, but this has meant only a temporary shift of labor, for the tremendous increase in the amount of business done has absorbed not only all the skilled labor, but all the unskilled as well. With the improvements that have come in the processes of manufacture, there is an increasing demand for highly paid laborers; if any one has suffered permanently, it is the man without education or special training.

Yet when the laborers have to deal with the corporations in industrial disputes, the laborer is entirely helpless, for the employer has vastly greater resources, and if it comes to a test of endurance, the employer always wins. The corporation is able to do vastly more for its employees than the individual employer could; under the Employers' Liability Act, damages for industrial injuries were, as a rule, not paid when the employee could be shown to have been careless in any way. Yet some corporations have voluntarily established pension and benefit systems, such, for instance, as those of the United States Steel

Corporation and the Pennsylvania Railroad. Such things were impossible under the old system. Again, the new kind of "big business" has greater need for faithful men than had the old company. With the greater responsibilities and the need for originality and initiative, the new corporations are able to pay good men as the old corporations could not do. It looks as though the higher class of workman would be better off under the new régime than under the old, so far as his position as a workman is concerned. How about his position as a consumer?

The high cost of living is one of the most puzzling <sup>The</sup> questions that we of the twentieth century are try- <sup>"H. C. L."</sup> ing to solve. It is so complex a matter that no one really understands it, for it is doubtless brought about by a great many different causes working together. The matter has been confused because of the habit of politicians of laying the cause for this and all other evils on the other party. One of the tendencies that survived the era of "muck-raking" of ten years ago is that which lays the blame for all calamities to the charge of rich men, over whom we have no control. Men who wish to pose as Solons find it easy to speak mysteriously about the part played by some trust in the universal rise of prices. Two things are to be remembered in this connection: (1) the world's story shows that periods of high prices come occasionally, followed by periods of low prices, recurring more or less regularly, and these changes have proven to be due always to natural causes, which in course of time alter the situation; (2) the situation is far better in this country than abroad; our laborers on the average receive more than twice as much for the service rendered as do the laborers of Europe. Even so, there is a scarcity at the present time of both skilled and unskilled labor; in June, 1912, the iron masters of Pittsburgh were so hard pressed for men to keep their furnaces going that they

resorted to the extreme policy of paying the fines of men in jail on condition that the prisoners should work for them at the market rate when freed. This forms a most decided contrast to the conditions in England and the continent.

**America as  
a World  
Power.**      Wherever we go in the world, we find American brains doing some of the most important of the world's work, and American money financing great enterprises. Where do we get all the money to do this? Why is it that Europe is borrowing gold from us constantly? Because our manufacturers are making and sending out of the country such immense values in goods of all sorts that, during 1911, we sold more than six hundred and fifty million dollars' worth of goods more than we bought. This means that the "balance of trade" is greatly in our favor, and the present ratio seems likely to increase rather than diminish. We have still much to learn about foreign commerce, and our manufacturers are rapidly coming to appreciate the value of a good foreign market. What we need may be summed up in two words, honesty and peace; having these and keeping them, we shall arrive at the best kind of success.

## CHAPTER XIII

### TRANSPORTATION IN THE NINETEENTH CENTURY

TRANSPORTATION means the carrying of people and goods from one place to another, one person or a multitude, a small package or a thousand tons of goods. Distance has more to do with this problem than any other element. Then there are many different kinds of people to be carried, and though this is of little importance in this country, it makes a great difference in Europe. There are different classes of merchandise, such as mail and express matter, coal, oil, lumber, machinery of various sorts, fruit, and meat, each requiring a particular kind of conveyance. If we study modern conditions, we shall see that all industries are entirely dependent on the transportation of their raw materials and finished products. Some of the goods go but a short distance, by land or water; others must go to the ends of the earth before they find purchasers. We may sell the English a railroad bridge to be put up at the falls of the Zambezi, or we may make a needle to be sold to an Eskimo belle, and the sale of both is dependent on transportation facilities. So important a factor in our civilization deserves careful examination.

**What is Transportation?**

When the first English settlers arrived, they found the country already well supplied with waterways, for the whole Atlantic slope from Nova Scotia to Mexico contained rivers by the hundreds, most of which were navigable for some distance, some for almost their entire length. Indeed there were too many rivers in some places for the good of the

**Early Highways.**

farmers, but they served so many purposes that people put up with slight inconveniences. The materials for conveyance (canoes, boats, or rafts) were everywhere at hand; most of the rivers were free from rapids or falls for a long distance, and where such occurred, there were usually convenient portages. These roads cost nothing to repair. They were as useful in winter as in summer, and they were free to all. There was occasionally a stretch of open land along the banks, so that for a long time settlements naturally kept close to navigable water, fresh or salt. Soon, however, time began to be valuable to the colonists. The rivers were, as a rule, very crooked, some of them absurdly winding, and much time and labor were expended in getting from place to place. So the custom arose of making paths with the ax through the forest, sometimes following an old Indian trail, or, in the buffalo region, taking advantage of the paths made by the wild animals. These trails were very narrow, just wide enough for a man to pass along without brushing the greenery on each side. Later they were widened to accommodate the oxcart, and were made into corduroy roads by felling trees in the wet places.

**City  
Streets.**

Even in the colonial towns streets were a matter of little thought, as one may readily see by examining the streets of the older cities of the country. It is easy to understand the story that many of the old streets of Boston are merely dignified cow paths, made by the cattle as they wound their way home at night among the hummocks and boulders of the pasture lands of the town. Some entries in the Boston Town Records show the necessity for caring for the streets: —

“The 27: 6: mo., 1649.

“George Hadsoll is fined 20s for not making up his hyghway afore his shop soficiently, and hath liberty for the finishing of it till the next 8 mo., ’50.

"It is ordered that Mr. Clarke, mariner, is to cleare the Hygh way at his cellar, and secure it that noe harme be done bye it, and that within 6 dayes, upon penalty of 20s fine.

"It is ordered that William Beamsly shall remove away his oyster shells from the Towne's hye way before his dore by the 1 of the 11th mo., on the penalty of 20s fine.

"It is ordered that John Baker shall remove the howse that stands on the Towne's Highway by the 1 of the 11th mo. on penalty of 20s fine."

Twenty shillings were equivalent to as many dollars of our money. Many of the colonists followed the custom that makes the villages of the old country so picturesque, of placing their houses irregularly, not in any particular relation, but just where they pleased. This led to many crooked streets, as the increased traffic of the town developed footpaths into traveled roads. Naturally the extension of roads out of the towns to neighboring communities was, for a century, very slow; for the nearest settlement was often several days' journey away, and the building of such a road would be a matter of too great expense for the struggling colonies. Consequently the colonies adopted some old Indian trail as a highway, and after a little improvement here and there, it was passable for a man on horseback during a good part of the year.

Such were the Old Bay Path in New England, the **Country Roads.** Iroquois trail, the King's Path from New York to Philadelphia, Forbes' Road west from Philadelphia, Nemacolin's Path from the Potomac valley to the Ohio, and the Wilderness Road farther south. So slowly did the making of roads develop that even as late as the Revolution, there were only three roads north and east from New York, and only one west from Philadelphia. To the south, there were really only two ways to get

over the mountains, one at Harper's Ferry, the other through Cumberland Gap, but these passages were at that time nothing but trails of the rudest sort. Most of the roads were impassable in winter; spring and fall rains made many of them impracticable, and even in the best of times traffic was so slow and



ON THE MAIN ROUTE FROM BOSTON  
TO ALBANY.

A large number of the milestones that originally covered the distance are still standing. This is one of the best preserved.

expensive as to be almost prohibitive, except on the watercourses. As late as 1761 a stage ran between Portsmouth, New Hampshire, and Boston (sixty miles) once a week, taking two days for the trip each way, resting the horses for two days, and remaining in Boston over Sunday. But while well-to-do people might travel in that way, common people walked or went by ship; goods of any sort were, of course, sent by ship. By 1800 there was a regular line of coaches west from Boston. The

feat of crossing the mountains westward was performed only by pack horse until 1789. A horse could carry not more than two hundred pounds, and the charge was three dollars per hundred-weight. After the road was built, four-horse wagons made the round trip up the Potomac to southwestern Pennsylvania and back in a month, if they had good luck, carrying about a ton of goods per wagon, at the same rate of pay. If goods went still

farther, as from Philadelphia to Erie, the charges would amount to \$250 per ton. Under such conditions commerce could not exist. In regions where there had been a local attempt to build roads, carrying could be done faster and more cheaply. A load of goods could be carried from Albany to Boston at a very moderate charge, and the driver could reach home with a return load in a month. These examples are enough to show that in most regions the carrying of goods overland was hardly practicable, and that the industrial development, so far as it was dependent on land transportation, must wait until some improvement could be made.

The Portsmouth-Boston stage was the first regular stage route in the colonies; the coach was rather small, holding only six passengers, and the fare one way was about \$10 (\$1.40 at present). The great event of the journey was the arrival at the tavern. We are forced to suspect that there was some mysterious agreement between tavern keeper and driver, for the stage always arrived at the tavern when the passengers were hungry and thirsty. The first inn on the road north from Boston was at North Cambridge, and was known as the Porter House, and so famous were mine host's steaks, that "porter-house steak" has become a synonym for the most delicious cut of beef. The tavern became the center of interest for the town, and the arrival of the stage was the most exciting event of the day, the one thing that bound the village life to the great outside world. Courts often convened at taverns, and the pomp and ceremony of the visiting justices, the carousals of the attendant lawyers, and the scandals of the trial brought good custom to the landlord. In the exciting days before the Revolution the tavern was usually the meeting place of the Sons of Liberty or of the Committee of Correspondence. It was the place to which all resorted to learn the prices of their produce or to get the

Importance  
of the  
Tavern.



latest news from neighboring colonies, and the coachman was eagerly questioned when the stage came in for news of any and all sorts. It is hard for us, with our manifold means of knowing



AN OLD STAGECOACH.

what is going on all over the world, to understand the hunger for news that the colonists in their quiet life must have known.

**The Postal System.** People of the seventeenth and the eighteenth century had a passion for letter writing. A large sheet of paper, folded into a rectangle, was called a "single letter," and when covered with fine writing, it held a great deal. In the middle of the eighteenth century such a letter could be carried from London to any of the colonies for a shilling. The colonial postal system was really organized about the end of the seventeenth century, because of the necessity of correspondence between the colonial authorities of New York and



INDIAN QUEEN TAVERN, BLADENSBURG, MARYLAND.

Boston. In 1710 an act of Parliament established a postal system covering the whole empire, and in a sense this included the posts already existing in the colonies. All the colonies from Nova Scotia to Virginia had a rough sort of postal accommodation, and the government adoption simply improved and



S.S. "FRANCONIA."

Compare this huge steamship, now making regular trips across the water, with the first line of packets established in 1755. (Courtesy of The Cunard Steamship Company, Limited.)

cheapened the service. One of the leading postmasters before the Revolution was Benjamin Franklin, who eventually became postmaster general for the colonies. When he took charge of the service about 1750, it amounted to very little, and his salary was made dependent on his efforts. By putting much time and money into the work, he brought the colonial postal service up to so high a standard that it was not far behind that of Eng-

land. This excellence aided greatly the colonial resistance to British misrule, for correspondence was the life and soul of the movement.

Colonial commerce profited greatly by it, and the period just before the outbreak of the war saw great advances made in industrial and commercial lines, improvements that do not seem to us to be very great, but were of value because they were the beginning of better things. For example, the first regularly running line of boats between London and New York was started in 1755, leaving either city at intervals of two weeks. Such an arrangement helped on the development of commerce, because it gave regularity and certainty to the movement of goods. Before that time merchants were obliged to wait their chance or to send goods in a roundabout way.

Early in the eighteenth century James Logan wished to send some letters to his employer, William Penn, who was in England. Although sent from Philadelphia in triplicate, no one of the copies reached Penn. At another time Logan started some letters to London on a ship bound to Jamaica; from there they were sent to Boston, and from there to London, taking about a year to make the trip. After the war the mail service was greatly expanded and improved, but it was still subject to delays, and Mr. Jefferson complained that it took a letter four weeks to reach him in Virginia, from Charleston, South Carolina. If it had taken two weeks he would not have mentioned the matter, for that was a reasonable time, but four weeks was more than humanity could endure. This illustrates very well the feelings of Americans after the war; they had been so long held down by British neglect that now they were free, they were anxious to do things for themselves. Accordingly we find all sorts of plans offered for the betterment of transportation facilities.

**The Question of Roads.** Who should build the roads? People had blamed the British government equally when it neglected the colonies and when it interfered in colonial affairs. Should the new government, state or federal, indulge in road making? If it did, would it be regarded as usurping the privileges of the people? At the beginning of our national life those in authority thought that internal improvement should be made by the government. It is evident that until land or water facilities were furnished, there could be no great advancement of domestic manufactures. So far as water routes were concerned, the carrying trade had already developed, but it was capable of far greater usefulness. It is odd that this movement toward internal improvements should have begun about 1789, at the same time that saw the beginning of our government, the application of the steam engine to industrial use, and the appearance in the country of certain great inventions that were destined to revolutionize manufacturing.

**Early Advocates of Good Roads.** As early as March, 1784, Washington and Jefferson were corresponding about building a road along Nemacolin's Path. Washington, though he thought the scheme "truly great and wise," doubted the possibility of carrying it out on account of the expense of the work, and the difficulty of getting the money from the jealous states. He wrote that he had had the plan in mind for ten years or more, but that he utterly despaired of seeing the road built. Washington's letter to Benjamin Harrison, governor of Virginia, dated October 10, 1784 (*Writings of Washington*, X, 402-414), is an eloquent appeal for the construction of such a road, and justifies the great expense of such internal improvements. He considers the political necessity for such a road the greatest argument in its favor. The possession of the back country is essential to the life of the states. If the states omit

to bind to themselves the settlements over the mountains, the westerners will fly into the arms of Spain or of England, and our country will be forever cut off from growth to the West. It is worth remembering that Washington had unbounded faith in the wonderful powers of growth possessed by the United States. Jefferson justified his desire for road and canal construction on the basis of the necessity for maintaining sympathetic relations with the westerners and thereby controlling their trade. He showed his ignorance of real conditions in a somewhat ludicrous way, for he thought that the western boundary of Virginia should be the meridian at the mouth of "the great Kanhaway," and he gave as one of his reasons the statement: "For 180 miles beyond these waters is a mountainous barren which can never be inhabited & will of course form a safe separation between us & any other state."

Washington and Jefferson were right about inter-  
state jealousy. Political and industrial crises put **The First Turnpikes.**  
off any great constructive enterprise for a quarter of a century, but early in the 1790's came what afterwards developed into the turnpike, the toll road financed with capital furnished by private subscription, and sustained by the heavy tolls charged by the companies. The first of these roads built was the Lancaster Road, extending seventy-two miles westward from Philadelphia. It suffered the fate of most new things. Men did not know how to build good roads until taught by experience, so about half of the five hundred thousand dollars that it cost was wasted, owing to faulty construction. There was much opposition to the new institution, because people said that the rich were building the roads in order to get the money of the poor, and because it destroyed the liberties for which they had fought.

However, when the macadam type of construction was

adopted, and when people saw the immense benefit of these roads to the farmer and the manufacturer, opposition ceased, and turnpikes sprang up all over the northern states. In the South population was too sparse to make worth while so great an expenditure; rivers and bridle paths served the purpose of travel for many years longer. In 1808 New York had nearly a thousand miles of turnpikes built, with twice as much more planned for. Connecticut had nearly eight hundred miles, while Massachusetts and Pennsylvania were especially noted as builders of good roads. It is interesting to compare this early enthusiasm over good roads with that which followed a century later. The expense of making these roads varied greatly, some costing as little as \$500 a mile, others as high as \$14,000. The returns were small, rarely reaching 6 per cent. Toll bridges were also built, and there are many of these still in existence. The effect of all these roads was very stimulating to agriculture and manufactures, but still the expense of hauling goods for long distances made any great growth impossible. There was need of something cheaper yet, something that, like the turnpikes, would connect far-distant points, and would be capable of conveying heavy and bulky goods more surely, more regularly, and much more cheaply.

**Improved Waterways.** The first step in this direction was naturally the improvement of rivers. Nearly all the streams emptying into the Atlantic had falls or rapids, but most of them were so far from the mouth of the river that it was worth while to carry goods as far as the boat could go. At the falls a portage was necessary. As early as 1784 Washington was seriously proposing the development of the Potomac and the James for one hundred and eighty miles; this would have meant the deepening of the channel in some places, the removal of rocks, and the construction of locks around falls or rapids. It is



A RELIC OF STAGECOACH DAYS.

The halfway stone in Framingham, Massachusetts. The all-day trip of stagecoach days is now covered by an interurban line, following nearly the same route, in two hours; the steam road over a slightly different line makes the distance in an hour and a quarter.



interesting to note that when a company was formed to carry out this project, and the projectors offered Washington a block of stock if he would allow his name to be used as president of the company, he refused the gift. In 1788 Jefferson was pondering on the importance to the United States of an uninterrupted navigation of the Mississippi. The river, however, was very crooked, had a bad bottom, and several of its branches were interrupted by rapids, the most serious impediment being the "Falls of the Ohio" at Louisville.

But the new national government had too many other interests to spare any time and money for internal improvements. Indeed, the first and, for a long time, the only government project of that sort was the Cumberland Road, begun in 1806. In 1808 came the famous report of Secretary Gallatin, in which he urged strongly the building of a series of internal waterways across the isthmuses of the Atlantic coast; this would cut off many hundred miles of sea travel, and would lessen risks and expenses greatly. It is an odd coincidence that one of these proposed canals, the Cape Cod Canal, is just now being built. The Secretary wanted to build a canal around Niagara and the Falls of the Ohio, and he had a plan for improving and connecting by road or canal the four great sets of rivers on either side of the mountains. It was not a new plan, but it was carefully thought out and perfectly feasible so far as engineering and finances were concerned. But his suggestion came at the wrong time; we were on the verge of a war with England, and people thought that we ought not to embark on any large-scale expenditure at such a time. Moreover, Jefferson and his followers, who interpreted the Constitution strictly, could not find in it any authority for the national government to appropriate the money for construction purposes. If roads and canals were to be built at all, it must be by private enterprise or by the state gov-

ernments. Thus unfortunately was determined the policy of the government for the rest of the century, that all public improvements of the sort that would encourage internal traffic must not be handled by the federal government.

The people, however, approved of canals, and many of them were built in the period before Jackson's administration. In 1807 was completed the canal around the falls of the Merrimac at Manchester, New Hampshire, a work designed to furnish both transportation and water power. This canal had been begun in 1794. After the War of 1812 was over, the new set of men prominent in politics tried to bring up again the project of government aid for such works, and the failure of the attempt was followed by a renewed interest in private building. April 15, 1817, the legislature of New York voted money for the construction of the Erie Canal, which had been planned twenty-five years before, but never built. This was finished and dedicated on October 26, 1825. In 1824 the Chesapeake and Ohio Canal Company was chartered to build a canal from Georgetown to Pittsburgh, and on the last day of the same year the Delaware and Raritan Canal Company was chartered. So vigorously was the work carried on that by 1830 there were nearly fourteen hundred miles of canal built and in operation, with about two thousand miles more under construction. Canals in the South did not, as a rule, succeed; climate, soil, and labor conditions were all against them.

The political value of the roads and canals can hardly be overestimated. As Jefferson and others of his time saw, it was essential for the preservation of our independence that the "hinterland" should be settled thoroughly, and that it should be joined to the older part in interest and sympathy. The development of the West seemed to further the idea that the people of the United States

**Canal  
Building.**

**The Value  
of these  
Roads and  
Canals.**

were best fitted to be agricultural, for farming seemed, at the time, to be the only way to support a large population west of the mountains. But this population must do more than merely support itself; it must buy a great many things and it must sell its products to pay for these imports. As the West developed, its political importance was emphasized. After the War of 1812 a new generation came to the front, men who represented the new America, and who typified, as well, the free spirit of the West. Men like Clay and Jackson were no weaklings, and they were the product of their time and place. There were other men who never appeared in the management of government, men like Walker, Boone, Sevier, the Clarks, and Gist, men who knew the wilderness through and through, and were willing to take the lead in dealing with the red man. Very early, men like these impressed their stamp on the life of the country, both at home, and in our relations with foreign nations.

**Relations  
with Spain.**

Like the people of all young communities, these westerners disliked being looked down upon by the easterners because they were young, and early in their history they began to demand equal consideration. Their first demand, made before the day of road or canal, was for a passage to the sea. This could be only through the Mississippi. The lower stretches of the river contained obstacles to navigation that made it impossible for sea-going ships to sail very far up; the river bottom was so soft and so filled with snags that it was impossible to anchor; the banks were so shelving and so muddy that no ship of any size could get anywhere near them. The shallows and currents were so quickly changing and so treacherous that even an expert pilot would sometimes be at fault. Hence goods must be brought down the river on rafts or in small boats, and must be transhipped at some convenient point. Since Spain

controlled the mouth of the river, all the country west of the mountains was dependent on Spanish courtesy and good nature. But Spain hated England, and we Americans, as offspring of the mother country, fell heir to so much of the old racial spite that Spain was glad to hinder our western commerce in every possible way.

The hero of this affair was John Jay, one of the three men who represented our struggling country in Europe during the latter part of the Revolution. The Spanish Negotiations.

Jay, who was a very wise man, underwent a curious change of opinion in regard to the importance of the navigation of the Mississippi. In 1778 he was "clearly convinced that, provided we could obtain independence and a speedy peace, we could not justify protracting the war, and hazarding the event of it, for the sake of conquering the Floridas, to which we had no title, or retaining the navigation of the Mississippi, which we should not want this age and of which we might probably acquire a partial use with the consent of Spain." This opinion Jay held before he had any intimate and unpleasant dealings with the Spaniards. Later he wrote, "We should retain and insist upon our right to the navigation of the Mississippi." Considering that, in 1783, such navigation was in its infancy, this remark shows a good deal of faith in the later development of the lands west of the mountains. Though Jay secured the consent of Spain to the free navigation of the river, this consent was a dead letter unless the right to tranship went with it. Not only were the impositions of the Spanish officials vexatious, amounting often to a fifth of the value of the goods, but their conduct toward Americans was insulting. We may imagine the pressure brought to bear on Washington. The East was anxious to make a commercial treaty with Spain, and thought that its prosperity depended on it. The West was just as anxious that

the treaty should not be made, for the Spanish wanted us to surrender the use of the river for a period of years, if not indefinitely, and such a course would prove the ruin of the West. Here again we have the danger of geographical differences. How could East and West be bound together so as to satisfy so radical a divergence in view-points? Time made a difference, and, in 1795, Thomas Pinckney was able to make with Spain a treaty that seemed to remedy all the petty vexations as well as the larger causes for friction in the relations of the United States with Spain along the lower Mississippi.

But though the treaty was made, it was a difficult thing to carry it out, and in the years of delay and intrigue that followed, people in the United States thought that they saw the hostile hand of France at work. Then followed our "naval war with France," in which we were able to pay off a little of the debt that we owed for several mortifying experiences. When the secret treaty of San Ildefonso transferred certain Spanish territories west of the Mississippi to France, America became seriously alarmed (1800). Jefferson especially, with his enthusiastic visions of the growth of the country and his appreciation of the necessity of keeping hostile nations from the hinterland, was much worried. On April 18, 1802, he wrote to our minister to France: "There is on the globe one single spot, the possessor of which is our natural and habitual enemy. It is New Orleans, through which the produce of three eighths of our territory must pass to market, and from its fertility it will ere long yield more than half of our whole produce and contain more than half our inhabitants. France, placing herself at that door, assumes to us the attitude of defiance." In this letter are many other expressions of the same idea, evidently meant to impress Livingston with the importance of the thought. It is evident that Jefferson must have welcomed the chance to buy Louisiana, for

by it he freed himself from the necessity of a hateful alliance with England and from the probability of a war with France. All this served to give the West the transportation facilities that it needed to connect it with the rest of the nation and the outside world. As we have already seen, no sooner was this done than the West, always active and always eager for more activity, found this communication all too small for its powers of growth, and in the first quarter of the nineteenth century came the demand for roads and canals.

The first necessity of a railroad is a pair of rails **The First Railroads.** so made and laid as to confine and direct the wheels of the vehicles running on the track. The materials, the roadbed, the kind of motive power, all are of less importance than the quality and the placing of the two rails. As early as 1630 the device had been in practical use in France, indeed, the idea is several thousand years old, but so far as our times are concerned, the first use of rails dates from the first quarter of the nineteenth century. Nearly all of these



AN EARLY LOCOMOTIVE.

early railroads were designed to carry freight, and were operated by gravity or drawn by horses. There were at least six of these in successful operation in the United States before 1830. That steam was the coming power, however, many of the engineers of the time realized. As early as 1804, Oliver Evans offered to build a steam carriage to operate on the Lancaster turnpike, to carry one hundred barrels of flour fifty miles in

twenty-four hours. He thought that the time would come when people would fly from one city to another in steam carriages as fast as the bird flies, at the rate of from fifteen to twenty miles per hour! Fulton, the hero of steam navigation, saw the time coming when steam transit would compete with canal and river transportation.

**The Coming of the Iron Horse.** The decade 1830-1840 witnessed the first real building of steam roads. There were constructed in that decade more than twenty-three hundred miles of track, of which three hundred and fifty-seven were in New England, fourteen hundred in the central states, and four hundred and eighty-seven in the South. One of the great difficulties of building these roads lay in the lack of capital. The amount of ready money needed to build a railroad was very great, more than men liked to risk, and the money, once invested, must be lost if the road failed. This brought the demand for aid from some higher power, state or national. As we already know, political considerations forbade national aid, so the states followed their own devices in the matter. Some of the eastern states obliged their citizens to build their roads without aid of any sort, while, on the other hand, some of the southern and western states, notably Georgia and Tennessee, Michigan, Indiana, and Illinois, granted very heavy financial aid. This matter of state aid turned out to be a great disaster, for between building canals and constructing railroads the western states nearly ruined themselves. However, that is a story by itself.

These early railroads were very different from ours in appearance. The rails consisted of great beams of wood, 6 X 12 or 8 X 12, fitted together at the ends, and having on top a strip of rolled bar iron about two inches wide and half an inch thick, spiked to the wood. The ties were very heavy, and were several feet apart. Iron rails cost about fifty dollars per ton, and until



THE OLD-FASHIONED STRAP-IRON RAIL.



after the Civil War the bulk of our supply was brought from England, though some were made here as early as 1845. The early iron rails were T-shaped, the bottom fitting into a slit in a cast-iron "chair." They were very light, varying from twenty to forty-five pounds to the yard. Cars were small and few. The first freight cars on the Boston and Albany were large enough to carry two hogsheads of molasses each, and the one poor director who declared that they would need as many as eighty-five freight cars was thought by his



RAILWAY TRAIN IN AN EARLY DAY.

friends to be crazy. By 1850 the cars in common use had about twice that capacity. The coal cars first used carried about three tons. The telegraph was not used in connection with the operation of railroads until about 1850. Before that time the roads were short, and trains simply ran according to a schedule. When a train failed to arrive at the terminus on time an extra engine with an emergency crew was sent to the rescue, armed with chains and jackscrews. Equipment was so simple that there was no need for the elaborate repair outfits of our time.

From 1840 to 1850 about five thousand miles of railroad were built, and during the next ten years nearly twenty thousand. The great work of this latter decade was the same that we have seen in the case of manufacturing: consolidation of small, hostile companies into connecting lines or systems under sympathetic management. Before 1860 the four cities of Boston, New York, Philadelphia, and Baltimore had good railroad connections. The importance

**The  
Growth  
of Roads.**



EMPIRE STATE EXPRESS.

of this fact in the history of the Civil War is clear. The prevailing gauge was four feet, eight and one half inches, but there were many gauges in use, while those railroads south of the Potomac and Ohio, as a rule, had the broader gauge of five feet. By 1860 the eastern section of the North was well supplied with roads, but the West was still in want of extensions, and the South was not supplied as well as it should have been.

The decade 1850-1860 is full of exciting events. It begins with the famous Compromise of 1850, and closes with the events leading up to the

**The  
Political  
Force of the  
Railroad.**

election of Lincoln. This period might be characterized as the last lap in the race between slavery and freedom to see which should occupy the larger part of the territory of the United States. With the east and west roads of the northern states, the transportation of immigrants was easy, for before 1860 no less than seven trunk lines crossed the Allegheny Mountains, tapping the great agricultural region of the Middle West. It was providential that just when we had such a flood of Irish and German immigration, our transportation facilities should have developed to the point of being able to handle it. In 1838, before the rush of immigration began, the railroad fare (including water transportation) from New York to Chicago was seventy-five dollars; in 1850 it was seventeen dollars. In 1851 an immigrant could travel the thousand miles from Boston to Chicago in fifty-four hours, for twenty-three dollars, while he could make the twenty-six hundred miles to New Orleans, by way of Chicago, for only forty-three dollars. If he stopped midway at St. Louis, it cost him only thirty-five dollars, and if he wanted to get still farther west to the gold fields of California, he could attach himself to one of the hundreds of caravans that started out every summer, making the journey in one hundred and ten days. Surely facility of movement was a powerful force in spreading the power of the new Republican party.

The South labored under several disadvantages; her railroads were, for the most part, built for freight traffic, and they simply tapped the cotton districts, carrying away the bales of cotton and taking to the planter the food and manufactured goods from the outer world, but making little attempt to cater to the passenger trade. This, indeed, was hardly possible, since the slaves rarely traveled, and the whites were, comparatively speaking, so few and so scattered that the sum of their fares would hardly

be enough to make practicable the necessary outlay for passenger service. So the southern railroads were built in places where they would not compete with the river traffic, and as a rule were not long, and did not connect. For example, in the Gulf states in 1850 there were twelve railroads with an average length of thirty miles, and even in 1860 there was only one road of any great length, reaching up into northern Mississippi. When the people of South Carolina were planning to construct their railroad to Hamburg, a distance of one hundred and forty miles (1829), they included in their calculations the expectation of getting ten passengers a day. These ten passengers were to yield a total annual income of about one sixth of the gross receipts. By contrast with the North, few immigrants came to the South, and the railroads served merely an industrial purpose, having no political value. It is a question whether the railroads of the South did not make her condition worse rather than better.

The immigrants who came to us wanted to make a living; they scattered all over the North, but thousands of them went to the Middle West, where, with their energy and their appreciation of economic freedom, they speedily became producers on a large scale. They required an outlet for the products of their industry, and they must be able to buy what they needed. So largely did they produce that more than one half of the total agricultural produce of the Middle West was sent out of that region, much of it to Europe. This means that the produce of the old Northwest Territory played its part in the doubling of our national wealth that took place between 1850 and 1860. The production of wheat and potatoes more than doubled, while the production of oats and cattle increased more than 50 per cent. To provide for the transportation of these products, enormous increases in rolling

**The Railroads as a Factor in Civilization.**

stock were needed, and to get these increases, the railroads must borrow the money. Thus a new element was added to the financial life of our nation, the dealing in railroad securities, stocks or bonds. Too much eagerness for these securities developed our first railroad panic in 1853-1854. One result of this borrowing was an increased tendency toward caution and economy of operation. To this end new devices of all sorts were introduced. We do not realize how much such simple improvements as the application of a practicable spring under the car, or the introduction, by Colonel Stevens, of the modern form of steel rail, have done to increase the comfort, the efficiency, and the safety of railroad travel.

**Values.** Another instance of the value of railroads to our national life is found in their effect on prices and values. Before the coming of the railroad, land at a distance from transportation facilities had hardly any value, and was unsalable. Cities had grown up only at the fall line of rivers, or near good harbors, but now convenient lands could be used as town sites, irrespective of the presence of a navigable river or a turnpike. It has been estimated that the railroads brought into the government at least four hundred millions of dollars in the form of values of lands that could not otherwise have been sold. The farmer, too, benefited largely, for many of the early railroads were intended to develop the country, and ran where they would be likely to get future trade. In 1826, when the western farmer was dependent on turnpike and river traffic, he could get only a small price for his goods, and a large part of his produce could not be carried to market on account of its great bulk and low value. Using the prices of 1826 as a standard of comparison, the western farmer of 1860 was getting twice as much for his flour, four times as much for his corn, and three times as much for his pork as

he did in 1826. He was prosperous, and the railroad was responsible for his prosperity. Probably there was no influence that tended to raise the standard of living in the North during the period before the Civil War as much as the railroad. Of this great benefit, the South received little.

Compared to the North, the South developed few railroads; in 1860 she maintained half the trackage that was to be found in the North. So large a part of her capital was locked up in slaves that it was not easy to float a large railroad enterprise; the southerners were not deficient in plans, but found it impossible to carry them out. There was in the South the same difficulty in regard to unconnecting lines that we have found in the North. Owing to the southerner's inexperience in construction work, he knew nothing of ballast, and in the wet soil of the coastal plain the timber supports of the track soon rotted, and the rebuilding of the roads necessitated an extra expense that the South was ill able to bear. The labor question in railroad building was always troublesome in the South. It was almost impossible to get slave labor unless the price of cotton was very low, and when it could be obtained, it was so poor as to be very expensive. The supply of free white laborers was very small, and the contractors were much troubled with strikes. It was hard to obtain skilled men to run the engines, and the proverbial carelessness of the slave did not accord well with railroading. The goods hauled by freight were bulky and cheap and could not bear heavy charges. This would not have been so serious had it not happened that the price of cotton declined steadily after 1830, for some years, and railroads and planters felt the financial strain of the occasional rapid falls in its price. With the southern railroad period beginning about 1830 the experimental period was over by 1855, and by 1860

**Southern  
Railroads  
before the  
War.**

many of the southern roads were paying good dividends and would probably have continued to do well had it not been for the war. Yet in spite of this fact, the roads were a great disappointment, and were possibly more a hindrance than a benefit to the South.

**Why the Southern Roads were Built.** The southern roads are to be divided into two classes: the short western roads that tapped the newer cotton belt, and the roads built in the seaboard slave states, extending westward into the interior.

In the building of these eastern roads two motives stand out very clearly: (1) the coast cities, Charleston, for example, were acutely conscious that their greatness had passed from them, and that they faced a life-and-death struggle for existence. The cotton productivity of their region had seriously declined, and they could hardly compete with the new region in the West. Their planters were migrating, and the good citizens of Charleston complained that the grass was growing in their main streets. If they could not stop this decay, what would become of their state? There were two ways of getting back their power; they could make themselves the wholesale center of the southern trade, or they could connect themselves with the great food-producing regions of the Northwest, and act as the main distributors of food as well as of manufactured articles. But to do either of these things required railroads of great length and considerable efficiency, and the financing and building of these were more than the people of South Carolina could accomplish. They built some short lines, and these were in the end prosperous, but the great railroad system from the Ashley and Cooper rivers to the Ohio was not built in the ante-bellum days. The records of the Confederate government show that many of the roads indicated on the map were not constructed, and needed government aid before they could be of use in war. (2) The fact

is that these southern cities were intensely jealous of each other. Such a feeling was enough to wreck any enterprise, however reasonable or well carried on, and this failure to act together made the railroads of the South small compared to what they should have been. Yet even this difficulty had begun to disappear before the war came on.

In three respects the southern roads may be accounted failures: (1) the migration westward that they were supposed to check was in fact encouraged by them. Before the railroads existed the trip from Virginia to New Orleans cost so much in time and money as to be impracticable. There was no regular travel along such routes, nor when the railroads came, was there any way to make the trip except by piecing out the gaps between the roads by stagecoach or horse. When the war broke out, with the exception of two gaps, amounting together to a little over one hundred miles, there was a complete line between the two regions, with a fare of only forty-eight dollars. Freight rates were so low that it did not cost much for a planter to send his whole property, slaves and all, to the new lands in Mississippi. (2) What the South really needed was a more diverse industrial life, less dependence on outside producers, especially on producers of foodstuffs. So far from encouraging this, the railroads rather left the South in a worse condition, for they made the price of these imported things so much less, and the possibility of marketing the cotton so much more sure, that people went into the cotton business with more zest than ever, and since there was little if any improvement in agricultural methods or labor conditions, the time was simply hastened when the South could be face to face with the problem of how to keep the wolf from the door. (3) The southern roads fell short of success because they failed to have any effect on political conditions. They did

**Why the  
Southern  
Roads  
Failed.**



not bind the sections of their territory together any tighter, but rather served to emphasize the differences between North and South. Hard feeling and bitterness were rather increased than diminished. The South was unable to get any great share of the great numbers of immigrants that were coming to the nation, although it was impossible to get good workmen of any sort in the South. The manufacturing enterprises of the North increased enormously just before the Civil War, while manufacturing in the South actually fell behind. The South saw more and more of its money paid to the North for goods that she might as well have produced herself. The northerner did not consider the southerner a good business man, and when he invested his money in a southern railroad, he wanted to have a voice in controlling it. All these things were most unlucky for the South. Perhaps one of the hardest things to bear was the fact that while the war ruined the southern railroads, leaving them little more than scrap heaps, the railroads of the North were greatly benefited by the war.

**The War  
and the  
Northern  
Railroads.**

Practically no damage was done to the northern roads by the war. The event that first affected the industrial conditions of the country in 1861 was the closing of the commercial outlet used by the people west of the mountains. This in itself was of great benefit to the railroad interests, for the country had need of the western food products, and they must be brought over the plains and the hills. This increased demand eventually rose to an astonishing point, until, in 1872, nearly seventy-five hundred miles of new track were laid. The political importance of the railroad appeared to be very great, for it was the best possible way of overcoming that element that threatened the disruption of our national life, distance. To build railroads east and west was evidently both economically and politically needful, while the

great question of connecting the eastern and central states with California assumed larger proportions. This plan had been on foot before the war began, but there had been much jealousy over the eastern terminal of the road, and it was not until the middle of the year 1862 that a group of laws was passed that had much to do with opening the West. One law had to do with the acquisition of homesteads, another with schools and colleges of agriculture, and a third with a transcontinental railroad. On July 1, 1862, was passed the law authorizing the land grants for the Union Pacific. To this company the government gave a right of way through the public domain, and, in addition, twenty sections along each mile of track, or twelve thousand eight hundred acres for every mile; two other Pacific roads were similarly aided within a short time. In order to help the company financially, the government was to lend it credit in the form of the government's guarantee up to fifty millions. The Union Pacific got along very slowly at first, but by 1869 the line was completed and in operation. The effect of the building of this road was far-reaching on the political and financial history of our people.

The building of the Union Pacific Railroad was the first great financial operation of our country; and it was indeed a daring scheme. There did not exist in the country materials enough to build it. There were not enough rolling mills in the country to make the rails and the other iron work, the labor problem was difficult of settlement, and the mere problem of feeding and defending the laborers on the plains was serious. In the railroad operations of the time it was customary for the work of building the roads to be undertaken by certain of the directors who were willing to undergo the labor and risk of the months and years that the work would take; in return for this service they were supposed to receive certain privileges

**The Construction of the Road.**

as their legitimate pay. Consequently a group of the leading men in the Union Pacific formed themselves into a stock company known as the *Crédit Mobilier*, the duty of which was to provide the materials and to construct the road. The special privilege that they received for doing this great service seems to have been the implied promise that the rest of the leaders would not ask any questions as to the prices charged for labor and materials. What these prices were we may guess from the fact that, by the end of 1868, a person who had bought ten shares at par on the first of January, would have received nine dividends, in cash, in Union Pacific stocks or bonds, as follows: 80 per cent in bonds, 100 per cent in stock, 60 per cent cash, 40 per cent in stock, 75 per cent in bonds, 75 per cent in stock, 75 per cent in bonds, 100 per cent in stock, 200 per cent in stock. Thus he would have the value of \$3500 at the end of one year. It would seem that there was a strange discrepancy between the necessity for a government guarantee and such dividends as these. The leader in the group of directors, Oakes Ames, had sold many of these shares almost at a nominal price to men high up in the government, and in 1872, when a congressional investigation of the *Crédit Mobilier* came, people of the United States were inclined to believe that men who had received such enormously profitable shares were taking a bribe. Such a shock to the moral feeling of the country could hardly result in anything but a suspicion of all high finance, especially in the form of railroad building. Unfortunately, popular suspicion was rather aroused than allayed by other occurrences of a similar nature. One of these was the way in which the Erie Railroad was managed by men who secured control over a majority of its stock.

**The Erie  
Railroad.**

We have already seen the part played by the Erie Railroad in bringing on the disastrous occur-

rence known as Black Friday. It was largely the manner in which the owners of the road managed it that brought down popular wrath on them. The Erie Railroad had been forced into bankruptcy in the panic of 1857, and after its reorganization, a large part of the shares had fallen into the hands of Jay Gould and James Fisk. These associates had apparently determined to get all that they could out of the road, meantime putting the money into their own pockets instead of into the upkeep of tracks and rolling stock. They laid exorbitantly high rates, refused to put in improvements as desired by towns and individuals, and excited grave suspicion of their honesty by the way in which they carried on the affairs of the railroad in the "Marble Palace."

One of the most dramatic parts of American history is the story of the way in which a corrupt **The Tweed Ring.** ring gained control of the city and state of New York, and stole the money of the people by the millions. The story of the defeat of this gang by Thomas Nast, the great cartoonist of *Harper's Weekly*, and by the *New York Times*, aided by the decent element of the people, reads like a story from the Arabian Nights. The conspirators thought nothing of offering the editor of the *Times* a paltry five millions, if he would refrain from carrying on the campaign. Tweed, the ring leader, was finally brought to book, and though never really punished, died in jail in 1878. The other men involved in the crime escaped, two of them going to Europe. The point of the matter is that after Tweed was arrested and arraigned on the charge of stealing the people's money, he was released on a bond of one million dollars, and Jay Gould was one of his bondsmen. If this had been mere friendliness, there would have been some nobility in the act, but the fact that Tweed and one of his chief henchmen were partners in the profits of

the wrecking of the Erie made it seem that there was more than simple friendship in the act. People thought so, at least,



ONE OF NAST'S FAMOUS TWEED RING CARTOONS.

and this helped to give railroad financing an evil reputation in the public estimation.

**The Panic of 1873.** The causes of the panic of 1873, like those of our other money troubles, are hard to find; probably it was caused by a variety of troubles, of which the chief was too much railroad building. People, like sheep, are prone to follow their leader, and when one set of men embarks in some enterprise that brings in great profits, others with less business skill think that they can find the same pot of gold. Sometimes, when they are lucky, their projects succeed, but the chances are the other way. After the East was fairly well supplied with transportation facilities, the next thing was to cover the West with such lines. This was a great service

to the country, for it undoubtedly peopled the great plains faster than they otherwise could have been settled for centuries, but the constructors of such roads forgot two things, apparently: (1) In building such great stretches of track, they would have to sink a large amount of capital. When the money was once expended in labor and materials, and the road was completed, they could not easily get their money out, as one draws it from the bank, but they must perforce let it stay there. (2) The earnings must for a long time be small, for since the railroads were to develop the country, the traffic would grow very slowly and the road would for a long time be worth very little, and hence it could not be sold unless at an enormous sacrifice. Therefore the projectors must so lay their plans as to get along without any dividends for a long time, perhaps ten years. When so many groups of men were competing in this railroad business, building new lines without much regard for common sense, it naturally followed that they absorbed a very much larger share of the floating capital of the nation than our post-bellum finances could stand. Hence when money got a little scarce, it took very little to bring on a panic. At such a time every one looks for a scapegoat. Some said that it was the crime of '73 that had caused the panic, others that it was the result of dishonest finances; some said it was the dishonest manipulation of railroads by the great leaders. Whether these charges were true or false made a great difference to the investor and the western farmer. We must now look at some of the changes in American railroads that took place before the end of the '70's, partly as a result of the panic, partly in accordance with the general tendency of our industrial development.

The changes of 1870 and the decade that followed were largely due to the fact that American railroad builders realized

**American  
Roads  
heavier  
than  
Foreign.**

that their roads were destined to be entirely different from the English roads which we originally took as models. In England there was a much better and more convenient canal system than we had, and this had affected the quality of their railroads, for the English shipper naturally sent his heavy, bulky goods by water, and his lighter and more valuable goods, or those in the transportation of which time was some object, by rail. It is probably true that many American roads were originally designed to supplement the waterways, but as the railroads became more effective and better built, and as they served many parts of the country that canals could not reach, men began to depart from the English model and to build distinctively American roads. For example, with our longer distances, heavier grades, bulkier goods, and greater volume of freight, it was necessary for our trains to carry more. This meant heavier rails and a better roadbed, heavier bridges and more and larger tunnels. It meant that engines must be heavier and larger, cars longer and more convenient, and stations more capacious and better placed. As compared with the English roads, our American railroads have differed in all these ways, but this difference has made necessary an immense expenditure in construction. Since the period of the Civil War there has been a constant adjustment of locomotive to bridges, of rails to wheels, and of grades to speed. More than one American road has rebuilt its bridges three times within the memory of some of its present operatives. This constant effort to get the best results has taken place in passenger transportation also, producing as its highest form the vestibuled Pullman express with heavy steel cars, and a two-hundred-ton engine pulling it all. The heaviest car that we now use, the Pullman dining car, weighs not far from one hundred and fifty thousand

pounds; the effect of this one item on curves, tunnels, bridges, and stations is evident. Heavy and bulky materials, such as coal and grain, form a large part of the tonnage of our great roads. To keep up with the demand for such transportation, much reconstruction work has to be done.

The evolution of the rail has been most important. The first improvement over the wood and strap-iron rail was the iron T rail. About 1845 we began to make our own rails in some quantity, though it was not until after the Civil War that iron rails were widely used. In 1867 steel rails were introduced into this country, a vast improvement over the iron rails in strength, elasticity, and durability, but too expensive, for they must be imported at a cost of \$166 per ton! In fifteen years, after our own manufacturers had learned to improve on the English model, the price had fallen nearly two thirds, and since then it has further diminished to an eighth of the original price. Steel bridge materials took the place of the wooden beams formerly used by engineers. Steel cars, both freight and passenger, are taking the place of wooden cars. Thus steel has made possible the immense improvement in our American roads, but the substitution has cost a great deal of money.

By the end of the war the fact had been made plain that one of the chief characteristics of American railroading was the great distances over which freight had to be hauled. This necessitated the building of great lengths of track that must stand for years before they brought a full return to their owners. Hence the most rigid economy must be used during the early years, if the roads were to prosper. Again, there were, on the coast, several natural ports, such as Boston, New York, Philadelphia, or Baltimore, but at the West there was but one great natural ren-

**The Substitution of Steel for Wood and Iron.**

**The Need for Economy.**



devious for the gathering of grain before shipment to the East, and this was Chicago. It was inevitable that competition on a gigantic scale should arise, owing to the rivalry between the roads that were fighting for the East and West traffic. There were five of these great roads which early in the 1870's had obtained a route to Chicago, and which were in the field for this carrying trade. These were the Grand Trunk, the New York Central, the Erie, the Pennsylvania, and the Baltimore and Ohio. These roads, as a rule, had not received the great land grants that had been given to the four Pacific roads by state or federal government, nor had they received the great cash backing that the government had given. They had then to look out for their own affairs. The natural remedy for too much competition lay in some form of combination. This was very much in line with the tendency that we have seen in American industrial life ever since the 1840's, when the movement toward consolidation first appeared among us.

**Railroad  
Combina-  
tion.** Physical reasons made it impossible for railroads actually to combine; to abandon thousands of miles of tracks was out of the question. The answer to this puzzle was found by a new group of financiers, men who took delight in handling the great problems of the railroad world. Such men were Jay Gould, Collis P. Huntington, "Commodore" Cornelius Vanderbilt, and Colonel Thomas A. Scott, followed twenty years later by another generation of men similarly gifted. So eager was the search for the most practicable routes that before 1880 the great railroad "systems" were completed. Later competition brought men to a contest for the possession of the transcontinental trade, so that at the present time, including the Canadian line, we have at least five great trunk lines giving coast to coast service. Some of them own or control steamship lines, so that a through rate

from Asia to Europe may be given. Such a commodity as tea, which does not improve with salt air, may be sent by this route to advantage. The opening of the Panama Canal will revolutionize such traffic, and we may look for great changes after 1914. Since no more physical combinations could be made, some adjustment of rates was the only way to avoid ruinous competition. This appeared early in the form of "pooling."

Pooling consisted in an agreement by which the Pooling. available business was divided among the existing routes so that each would get its fair share. There were several ways of bringing this about, none of them very satisfactory; one was to divide among the roads the actual amount of freight to be carried, and to let each dispose of its share as it pleased. Another was to agree on certain rates, and to let each road get all the business that it could. Still another was to divide the annual earnings among the roads according to a prearranged schedule. This permitted the weaker roads to "hold up" the stronger for their fair share of the business, for no railroad would wish to get all the business for itself, thereby adding to the wear and tear on its property, and then be obliged to hand over a large share of its profits to some other road that had economized by simply allowing the other to do the work. Pooling was, then, the natural outcome of too much competition; it might degenerate into an unfair attempt to rob the public by fixing high rates. There was injustice between roads, too, and charges were made that the most solemn agreements were carelessly broken for no reason at all. People were suspicious because many of these agreements were secret, and because some of the men connected with the plan had before been guilty of acts that were of questionable honesty.

Another question that was open to discussion was Differential the problem of differential rates. These had to do Rates.

with the charges from interior cities to terminal points on the coast, *e.g.* from St. Louis to Boston or from Chicago to San Francisco. A road that was possessed of good terminal facilities, or a road that wished to develop them, was allowed to charge lower rates than the others in order to attract through freight. For example, if the city of Boston wished to obtain a share in the grain-exporting trade, certain roads entering it would offer a lower rate than that from Chicago to New York. This gave an undeserved advantage to people who happened to be so situated as to take advantage of such a rate. It was possible, by showing friendliness or hostility, to ruin one's business competitors by the use of such rates, and, as many roads were interested in some industrial enterprise as well, they, in this way, gained a great advantage. This was, in effect, unfair competition.

**Special  
Cars.**

As the freight traffic of the country developed, it became necessary to build distinctive styles of cars for certain kinds of freight: oil, coal, fruit, automobiles, live stock, and dressed meat. All needed a particular set of conveniences; a company that had such cars of its own, or one that was able to rent them of another railroad, had such a great advantage that its competitors were quickly driven out of business. Here was a powerful weapon in the hands of the railroads. Certain companies were able to own their own cars, and by entering into secret agreements, the railroads hauled their cars at a lower rate than it charged others according to the regular lists of rates.

**Special  
Rates.**

Every railroad made up certain lists of rates, called tariffs, stating the amounts to be charged for freight and passenger transportation, and these lists were on file with the agent in every ticket or freight office on the lines. One could find out by consulting the agent what it would cost

to send any given amount of merchandise for any distance. It was possible for the railroads to discriminate between towns in this way, even to the point of ruining a town or city or state that had been rigorous in its dealings with the road. By threatening such a punishment, a railroad could often obtain special favors. If a powerful industrial company was in any way allied with the railroad, it could secure secret rates, either at the beginning, or by means of a rebate paid later by the railroad, the whole transaction being unknown to the public. It was doubtless true that it cost more to transport goods a short distance than a long one, for the handling of goods and the shifting of cars cost heavily. However, it was hard for the farmer to understand why it cost him more to send a few bushels of vegetables to the near-by city than it did the manufacturer to send large boxes four times as far. There was consequently a suspicion of fraud, rather than a direct charge of dishonesty against any person.

About 1869 there appeared a tendency to put **The** the railroads under some form of legal restraint. **Results.** This at first took the form of railroad commissions appointed by the state governments, and the movement has spread until now nearly all the states have such bodies, more or less efficient according to the circumstances under which they work. Some of the smaller states are unfortunately so placed that they are entirely within the power of a single company, and are almost helpless without higher assistance. Practically the only result of the Granger excitement was the decision by the Supreme Court of the United States that the states had power to control the traffic that took place entirely within their own borders. This, however, did not include the right to control traffic between that state and other states, and it became necessary for the federal government to fall back on powers under the Constitu-

tion and to take some action looking toward the control of interstate commerce. The reason for this has already been shown in part. Many important industries had come almost entirely under the control of the great transportation companies, or if there was competition, under the thumb of the pools formed by the roads. People saw many evils, and suspected the existence of many more. They knew that passes were given; hence every legislator or judge who favored railroads might be suspected of dishonesty. They knew that secret rates were given; every prosperous corporation, for all the public knew, might have succeeded through corruption of the worst type. Thus the popular demand for control of the railroads became stronger and stronger, and about 1885 the pressure on party leaders became too powerful to be neglected any longer. After much quibbling, a law was passed early in 1887, establishing the Interstate Commerce Commission.

**Government Supervision.** In this law, pooling was forbidden, and discriminating rates of all sorts were forbidden. In addition a commission of five persons (afterwards increased to seven) was created, to which was given certain powers which were supposed to be ample, but which turned out to be deficient. The commission was given power to investigate fully the affairs of any railroad in answer to complaint or on its own initiative, but it could not require that its recommendations be carried out. It had to prosecute the offenders in the United States courts. The value of the results depended much upon the personnel of the court, and upon the skill with which the commission followed up its cases. If the men who composed the commission were of the most desirable sort, it would naturally have great moral influence. If it was successful in carrying out its designs, its power would be so advanced that its orders would be obeyed as though they were the commands of a regular court of law.

The commission has had a troubled life. The courts have not been in sympathy with it, and have hindered its work in many ways. Although somewhat strengthened by later laws, it has not had enough power to force the production of documents and witnesses, and cannot prevent its decisions from being evaded by ingenious schemes of the roads. Thus the good work that might have been done has not so far been accomplished. It has been suggested that the remedy for the chaos that at present exists is the taking over of all forms of transportation by the government, and the operating of them as part of the regular work of the people's servant. How that would work, it is impossible to say; certainly the state owned and operated railroads of Europe do not to us seem successful.

Meantime the railroads had not been having a very prosperous time; several panics had injured them very severely indeed. In 1873, for instance, nearly one half of the total mileage was in financial difficulty. But with the recurring period of prosperity the resources of the larger systems became so great that they were able to begin the process of consolidation that had been dropped some years before. This union of our railroads into a few great systems has in it many possibilities for good. The great profits made on some divisions of the system have made it possible to operate decently other lines that previously had been so poorly constructed that it was dangerous to ride on them. Such great systems as the Pennsylvania and the New York Central have been built up gradually by the purchase or lease of one line after another and the operating of all under a harmonious plan by which all concerned get the greatest possible amount of good service. The later development of such consolidation into gigantic "holding companies," organized to buy and hold the stock, not of small roads, but of whole

Later  
Consolidation.

systems, was stopped by the government prohibition as expressed by the courts in the case of the Northern Securities Company. This is still an unfinished question, and one of the greatest importance, for the well-being of every person in the country is bound up in the success of our great railroad systems.

**Later Attempts to strengthen the Interstate Commerce Commission.**

Several laws have been passed with the intention of giving the commission greater effectiveness, chief of which was the Hepburn Act of 1906, which really did accomplish something toward that end. It tried to control the free pass evil, to keep the railroads out of industrial competition with genuine manufacturers by forbidding them to carry their own products, and it gave the commission greater power in determining what rates should be fair in certain cases. The organization of the Department of Commerce and Labor further helped the commission, while the starting of a bureau of corporations within the department aided still more. Perhaps the best way yet found to help the commission came in the granting to railroad companies of new acts of incorporation; acting on the lesson of experience, it is possible to see that the new companies shall be placed entirely under the control of state or federal authorities, preferably the latter.

**The Railroad and the Laborer.**

The railroads stand in a peculiar position with regard to the laborer. The worker on the railroad has one of the most dangerous occupations, even though he be surrounded by safety devices of all kinds. When railroads first became common with us, there was a complete absence of such devices, probably because the roads were so small and so easily run that there was little need of them. But with longer lines and greater speed, with the introduction of the telegraph, with heavier engines and rails, the risks have increased out of proportion to the growth of the

business. In their struggle for increased profits most roads have neglected to invest money in devices intended simply to safeguard the lives of their employees. The growth of public sentiment, as expressed in various laws requiring the use of such improvements as air brakes, automatic couplers, and improved switches, has accomplished a great deal. Most of these compulsory additions have been resisted by the railroads, through a short-sighted fear that the expense would swallow up dividends, but time has proven that nearly all these devices are very profitable to the companies. For example, the old hand brakes would not suffice to hold the great passenger train of modern times. Such a train runs at least five miles before it reaches an average speed of sixty miles an hour. With the air brakes it can be brought to a full stop in less than an eighth of a mile. Neither could the immense freight business have been handled with the old-fashioned link couplers, which frequently broke, causing the cars to jam, their contents to become injured, and the equipment to be seriously damaged. The saving in possible damage suits is very great, too, for all these devices tend to minimize the possibility of accident.

Every railroad has need for thousands of unskilled laborers, and for some years the roads have been in a quandary to find men needed for track and yard work. These laborers are not permanent. They are not, as yet, organized, and they take no part in the contests of organized labor. The higher and better paid employees, however, are well organized, and are an intelligent set of men. Because of the exhausting and responsible nature of their work they feel that they should receive relatively high pay. Railroad engineers at present receive the equivalent of from \$125 to \$185 per month. The great railroad strike in England in 1911 brought out the fact that the better class of American

**Railroad  
Labor  
Troubles.**



railroad man gets more than twice the salary that the Englishman of the same grade received. There were about thirty thousand railroad men in England who were getting not more than a pound a week, and supporting families on that pay. The present rate of pay in America has not been won without a struggle, and railroad strikes have not been without their value, though we do not always approve of the methods used. The strikes at Pittsburgh and Chicago were instances of the inability of the strike leaders to control outside influence. However, in spite of the fact that organizations of railroad men are at a disadvantage because their members must be on the road so much of the time, they have secured better recognition than any other form of organized labor. Railroads have shown a decided tendency to stand well with the public by granting their men many concessions. The Employers' Liability Act has helped much, and there are a few roads which have actually been inspired by the belief that the easiest way to get good service is to give the best possible consideration to their employees.

Oceanic  
Transporta-  
tion and  
Immigra-  
tion.

Very remarkable is the wonderful growth in population shown by the different censuses. Counting all kinds of increase, the population has more than tripled in the past fifty years; and of this great increase, about 14 per cent are of foreign birth, while more than 20 per cent are of foreign parentage. The problem of transporting so many people across the ocean has not yet been solved. Many think that the time has come when we ought to deny entrance to low-grade immigrants by raising some educational or financial gateway more difficult to pass than the present. If there is to be any restriction on immigration, it must be in connection with their coming in, and in connection with the agency that brings them in. In this matter

we are equally concerned with foreign nations, since a large part of the steamship lines are run under some foreign flag. Such a rapid rate of increase in population has, of course, increased the demand for transportation facilities on land, and has given us an increase in railroad mileage that is greater than the normal advance in Europe. In addition to the immigration question, there is the problem of transoceanic freighting.

Two things have dealt hard blows to American **Foreign shipping**, Jefferson's embargo and the Civil War. **Shipping.** Our foreign service was probably more than cut in half by the Civil War and its results, and for certain reasons we have never regained our place. It has been a much-mooted question whether our government ought not to aid our shipping industry so that it might compete with that of foreign nations. Wages and the cost of materials are so much lower abroad that we cannot put a ship into the water for the figure that foreign builders quote, and the cost of operating our lines is greater than similar expense abroad. Some have contended that our shipowners should have a certain allowance per ton from the government, a subsidy for which they might make some return, such as acting as auxiliary navy in war time, or serving as dispatch boats or mail carriers. Although much has been said and done in late years, the ship subsidy excitement seems to have disappeared for the present. During the past five years American shipping has been improving. Several large steamship lines are now sailing under the American flag, and the tonnage of the ships now building is larger than it has been in twenty years. It is an economic law that capital always seeks its most profitable use. American shipping declined because people could make more money by investing in other enterprises; it was more profitable to pay freight to some

alien for carrying our goods than it was to carry them ourselves. The wisdom of a government grant to steamship lines seems to be open to question.

- **The Panama Canal.** The most wonderful canal in existence is an example of what American brains and skill can accomplish under great difficulties; we are extremely proud of the canal, but it involves us in certain difficulties that are not easy to solve. In order to secure for ourselves the rewards that would come from such a labor of Hercules, we had first to get rid of the Clayton-Bulwer treaty of 1850, which provided that a canal might be built by a private concern, and should be under international control. Since it seemed impossible for the canal to be built except by the government, it was necessary to make a new treaty, and in December, 1901, England and the United States made the Hay-Pauncefote treaty, which left us free to build a canal of any sort, allowed us to fortify it if we pleased, and left it entirely under our control, in peace or in war.

Two things are to be considered; it is certain that since 1900 England has shown a desire to keep on very friendly terms with the United States. It is possible that John Bull did not believe that Brother Jonathan would ever build the canal. However that may be, the question of control of the canal will be a troublesome one to handle. There is the question of tolls to be settled. Since it is entirely the property of the government and entirely under its control, why not encourage American shipping by allowing our own ships to pass toll free? This would be an enormous advantage, for if the toll should be as low as a dollar per ton, the charge of the passage of a large ship would be in the thousands of dollars. This seems very large, but if we compare it with the saving, a difference appears. Suppose a ten thousand ton freighter

from New York to Honolulu goes through the canal and pays \$10,000 in tolls. It costs about ten cents a day per ton to keep such a ship in commission, and if she saves three weeks by going through the canal, her owners will still be the gainers by the tidy sum of \$20,000. If we should allow our own ships to pass toll free, it would give them what some might think an unfair advantage over foreign vessels; indeed, in July, 1912, we did receive such a protest from the British government. It is also a matter of great importance what disposition we make of the canal in time of war; ought we to allow the ships of both belligerents to pass through on the same terms as other ships, or ought we to keep them both out? Since the canal is ours, we should certainly let our own warships pass; in such a case, some foreign enemy might try to damage the canal. This shows that we ought to fortify the canal with the best appliances for defense and offense.

Since an early day in our history it has been the **The Present** rule that coastwise commerce should be confined **Outlook.** to American vessels. This principle has been applied by Congress to commerce between our eastern and western coasts, and, by a law passed just before the adjournment of Congress in 1912, it was provided that such commerce in American vessels should pass toll free. At the same time it was provided that all American vessels engaged in foreign trade, as well as all foreign vessels, should pay toll. The desire to curb the power of the railroads is shown by the regulation that no steamships owned by railroads should be allowed to pass through the canal. How these regulations will be regarded by foreign governments remains to be seen.

What shall we do with our great equipment after **Internal** the Panama Canal is completed? For a long time **Waterways.** Americans have been pointing out the necessity for internal

waterways. At the present time we have about two thousand miles of canals in condition for use and about twenty-five thousand miles of navigable rivers. Water transportation is slower than that by rail, but should cost only about one third as much. Since so many of our products are bulky, and since often there is no need for haste, why not utilize our machinery and staff of experts in helping out our domestic water system? There are several ways in which such a force might be used. We ought to have an inland waterway from Boston to Galveston; that is, a water route so sheltered that vessels could use it as they do a canal. We ought to make the Mississippi navigable for sea-going ships, so that ships could be loaded for any foreign port at the cities of the Mississippi or its tributaries. Pittsburgh could be served in another way, by a ship canal through Ohio to Lake Erie. Chicago could be served by a water route through the Chicago Drainage Canal, the Illinois River, and a deeper Mississippi. If there were a ship canal across the state of New York, transoceanic commerce might be possible in that way.

**The  
Position of  
New York.**

Since the beginning of history in America, New York has been the natural commercial center of the country. As the nation grows, interests are diverted, and while New York is no longer supreme in business affairs, she still wields great power. This power would be seriously threatened by Canadian construction of a ship canal from Georgian Bay to the Ottawa River. In this way all the Canadian commerce of the Great Lakes and of the Northwest would be shipped across the ocean without transshipping, and if tolls were not too high, a large part of our own interior traffic would no doubt be diverted from New York. This is a serious danger, and for some years the state of New York has been busily deepening "Clinton's big ditch," making a barge canal

out of it, hoping thereby to maintain her control over the grain trade. In the far West the navigation of the Columbia River might be greatly improved, giving a cheaper outlet to the grain, lumber, and mineral products of the interior. All these projects demand serious attention, and form one of the problems that we must solve if the improvement in transportation facilities is to keep pace with the advance of the people in other respects. But this development is not without enemies in the person of men who have great investments that they fear will be injured if such waterways come into existence.

For twenty-five years after the Civil War the waterways offered little competition to the railroads. Canal traffic sank nearly to lowest terms, and even the Mississippi steamboats declined greatly in economic value and could not compete with the railroad running parallel to the river. But of late years water transportation has assumed new importance, and in some cases railroads have feared serious trouble from the cheaper rates offered by vessels of one class or another. This trouble has been met by the railroads in different ways; as a rule, the first policy has been to fight the waterways in every possible way, trying to crowd them out. Some roads have, in self-defense, bought steamship lines outright, and have, in some way, secured control over other water traffic, so as to divide the business in a rational way. The most interesting part of the rivalry is the attitude of the big roads toward the Panama Canal. When the canal was first being discussed, the transcontinental roads fought the scheme vigorously, and they have maintained the same attitude toward the deep waterways suggested above. In the case of the Panama Canal the danger that they feared was the loss of the freight and passenger business across the plains. In the latter case opposition has come, not only from

**The  
Railroads  
vs. the  
Waterways.**

the railroads, but from the coal, iron, and steel people, who fear that if such a great addition to the transportation facilities of the country should be constructed, railroads would be seriously affected, with great loss to thousands of investors, because the railroads must buy enormous amounts of coal and steel, and if, through a lessening of their business, they should be unable to do so, the steel interest, which represents the greatest single manufacturing interest of the nation, would suffer. There is a certain amount of truth in this argument, for at the present time the best "index of business" is the unfilled orders of the United States Steel Corporation. However, the law of the world is progress, and unlucky is he who stands in the way of it. Those who try to hinder our forward movement are like Mrs. Partington when she thought to mop up the Atlantic, trying to stem the power of an irresistible force. The right spirit, and that which leads to the greatest success, is a sensible spirit of coöperation for the best results. Improved transportation methods are bound to come, and it is not consistent with the true American spirit for any group of men to interfere with such a movement through fear that their own interests would temporarily suffer.

**The  
Transporta-  
tion Prob-  
lem.**

The two most striking features of our national development since the Civil War have been the increase in population and the enormous growth in the value of our manufactured products. Both of these are vitally connected with the welfare of the people. Indeed, it is not too much to say that we have allowed ourselves to develop a form of civilization which is entirely dependent on transportation, not only for comfort and pleasure, but for actual existence. It is of the greatest importance that this thing on which our lives depend should be wisely controlled by those who are responsible for it; if they are false

to their trust, transportation should be placed in the hands of those who will be honest. The transportation problems of the nation are really in their infancy, although they have already made an entire change in our manner of life. The electric systems, local and interurban, have altered city life, and promise still more favorable changes. Subways and elevated lines add, not only to the ease, but to the danger and the wear and tear of modern life, and complicate an already intricate question. This is a puzzle that must be solved by the coming generation. A close study of it will show that it is indeed so baffling that, not only good intentions, but great knowledge and sound wisdom, are needed for its successful solution.





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By HENRY REED BURCH, PH.D., Head of the Department of History and Economics, Central Manual Training High School, Philadelphia, and SCOTT NEARING, PH.D., Instructor in Economics in University of Pennsylvania, Philadelphia. Cloth. 12mo. xvi + 363 pages. \$1.00 *net*.

This book is written for the high school course in Economics from the high school standpoint. It is live, concrete, and suggestive, and it will appeal to the high school student as no book prepared from a different point of view can do.

The Burch and Nearing text is, moreover, thoroughly American and thoroughly up-to-date. Here we find a live treatment of such vital questions as the conservation of natural resources, the problems of immigration, the trust and the railroad, the effects of monopoly on price, and finally, the various experiments and programs of economic reform embracing such movements as profit-sharing, government regulation, and the socialization of land and capital.

While economic principles are given proper emphasis and careful treatment, the beginner is not lost in a maze of theory. The book is filled with living realities.

Professor J. Lynn Barnard of the School of Pedagogy, Philadelphia, says, "I consider this book remarkable for its clearness, simplicity, and inclusiveness." This clearness of thought and simplicity of expression are apparent even in the discussion of such abstract phases of the subject as value, price, and the theories of distribution. Throughout the whole book a sound and thorough comprehension of economic principles has been combined with such simplicity of treatment as to fit the work especially for high school conditions.

From a pedagogical standpoint, a distinctive and admirable feature of this textbook is the outline preceding each chapter and the marginal notes throughout the chapter corresponding to the topics in the outline. It is difficult to conceive of a method of presentation more conducive to logical study, clearness of thought, and ease of comprehension.

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